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LATIN AMERICA

SPECIAL CONSUMER NOTICE
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NOTICE

On 1 June 1987 FBIS will begin publication of reorganized and renamed DAILY REPORTS. The following list details the changes being made in the eight volumes.

I.	CHINA DAILY REPORT	Contents unchanged
II.	EASTERN EUROPE DAILY REPORT	Contents unchanged
III.	SOVIET UNION DAILY REPORT	Contents unchanged
IV.	EAST ASIA DAILY REPORT	Renamed; formerly ASIA & PACIFIC DAILY REPORT; contents unchanged
V.	NEAR EAST & SOUTH ASIA DAILY REPORT	Renamed; formerly MIDDLE EAST & AFRICA DAILY REPORT; contents include: Middle East & South Asia Review Inter-Arab Affairs Islamic Affairs Palestinian Affairs OPEC Affairs South Asian Regional Affairs Arab Africa Algeria Chad Egypt Libya Mauritania Morocco Sudan Tunisia Western Sahara Arabian Peninsula Bahrain Kuwait Oman PDRY Qatar Saudi Arabia United Arab Emirates Yemen Arab Republic Iraq Israel Jordan Lebanon Syria South Asia Afghanistan Bangladesh India Iran Maldives Nepal & Bhutan Pakistan Sri Lanka
VI.	LATIN AMERICA DAILY REPORT	Contents unchanged

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VICE PRESIDENT VIEWS DUE OBEDIENCE, AMNESTY

PY201826 Buenos Aires BUENOS AIRES HERALD in English 20 May 87 p 11

[Text] (NA-DYN) -- Vice-President Victor Martinez yesterday considered it "unnecessary" to include generals in the government's Due Obedience Bill whereby officers are presumed innocent until proven guilty because "that is a general principle of law," and "it would delay passage of the bill uselessly."

Martinez also upheld the Armed Forces as an institution in the face of adverse reactions to their behaviour coming from different sectors of society, which he said were "sometimes unfair."

He stressed that the professional development of the Armed Forces had to be promoted and that "just as we try to contribute to the welfare of the industrial, agricultural, commercial, educational and ecclesiastical sectors, the Armed Forces likewise deserve our attention.

The vice-president once again ruled out the possibility of an amnesty being awarded. Regarding a selective presidential pardon, he said that "the government does not consider it timely."

Clashing with Martinez' statements, State Intelligence Secretariat (SIDE) President Facundo Suarez yesterday revealed that a possible amendment to the first article of the bill was under study.

According to Suarez, "a group of professionals" whom he did not identify considered that the expression "senior officers" was not specific enough to identify the officers who would benefit from the law. Yet he stressed that the discussion was strictly "technical" and not meant as "political pressure."

The Orthodox and Renewal Peronist blocs led respectively by Vicente Saadi (Catamarca) and Jose Martiarena (Jujuy), Peronist Senators Eduardo Menem and Libardo Sanchez (both La Rioja), Senators Elias Sapag and Jorge Solana (Neuquen Popular Movement), Senator Julio Amoedo (Popular Conservative line within the Peronist Party) and Movement for Integration and Development Senator Manuel Vidal (Formosa), have all said they would vote against the bill.

Menem justified his decision claiming that "the result of voting in favour would be to weaken democracy and its institutions."

Radical Senator Hector Velazquez (Misiones), on the other hand, expressed optimism that his bloc would gather enough support to pass the bill, and said that "nobody can doubt President Raul Alfonsin's behavior regarding human rights, which has boosted Argentina's international image."

A retired non-commissioned naval officer, Guillermo Gonzalez, yesterday asked senators to include a clause in the bill normalizing the situation of officers forced into retirement during the last military regime for questioning the methods used to fight subversion. The officers Gonzalez referred to were ordered to retire on March 26, 1976, and October 10, 1983.

A rally against the Due Obedience Bill will be held in front of Congress today at 7 pm. It was called by human rights groups, the University Federation, leftwing political parties and metropolitan Peronism.

Former de facto President Jorge Rafael Videla and former Lieutenant Colonel Aldo Rico were cheered yesterday at the end of the monthly mass held by FAMUS (Friends and Relatives of the Victims of Subversion).

PARIS CLUB RESCHEDULES $2 BILLION DEBT

PY202119 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2000 GMT 20 May 87

[Text] Buenos Aires, 20 May (NA) -- Argentina today had about $2 billion of its foreign debt refinanced by the member countries of the Paris Club. The club extended the term to 10 and 1/2 years with a 6-year grace period. The Paris Club members also agreed to grant Argentina a credit of $400 million for the purchase of capital goods this year. This refinancing covers all the obligations of capital and interests the country has to pay 1 January 1986 to 30 June 1988 with the first disbursement of capital in May 1993.

Juan Sommer, under secretary of Economic Policies, who explained the scope of the multilateral agreement, called the agreement "essential" because it insures "the goals of economic growth proposed by the government."

The countries that signed the agreement with Argentina are Belgium, Canada, Denmark, France, FRG, Italy, Japan, the Netherlands, Great Britain, Sweden, Switzerland and the United States. This information is contained in the joint communique released early this afternoon by the Economy Ministry after the mission headed by Finance Secretary Mario Brodersohn signed the document in Paris. The 4-point document says:

1) It has been agreed to reschedule 100 percent of capital and interest payments that fall due between 1 January 1986 and 30 June 1988.

2) The sum to be rescheduled amounts to approximately $2 billion.

3) It was agreed that amortization of the rescheduled sum will be over 10 and 1/2 years, with a 6-year grace period. The first payment of principle will be due in May 1993 and the last one in November 1997.

4) The agreement stipulated that the creditor countries will grant credit lines that will allow the import of capital goods for at least $400 million in 1987.

With this agreement and the one recently reached with the IMF, Argentina will manage to meet its needs for financial resources for the next few years, thus stabilizing its balance of payments. Sommer admitted that Citibank -- the main private creditor bank of our country -- is now in a "more advantageous" position to renegotiate future conditions of its credit balance with its debtors, after having allocated $3 billion last Tuesday, 19 May.

Regarding the agreement reached with the Paris Club, Sommer explained that "it represents a very important percentage" of the debt and "undoubtedly stabilizes the Argentine balance of payments." He said that the $2 billion that was refinanced include "debts owed to the FRG, which, like the United States is a major creditor, and the Netherlands. These debts are based on the agreement with Cogasco [expansion unknown]" for the Loma de la Plata-Bahia Blanca-Buenos Aires gas pipeline.

When asked how will Argentina react to the decision by Citibank, Sommer said that it is "a decision by a bank that has allocated funds in case there are problems involving the repayment of the debt."

He added that "several banks in various countries are doing the same thing more or less rapidly. I hope that since the situation has been made clear, the disbursement of the loans that have already been agreed upon will not be affected." He noted that "the position of a bank that has taken this step is certainly different from that of bank that has not. This obviously introduces changes in the bargaining position" of the U.S. bank.

Sommer said that "it is certainly an important decision," although he declined to make further comments, saying that "I do not know what will happen from now on." The official said that "it is clear that Argentina is sticking to its position, that its economic growth target is nonnegotiable, and that this objective is being fulfilled through these negotiations." He concluded by saying that the IMF mission currently visiting this city is checking "the fulfillment of the first quarter's targets," for which reason "we are supplying the information" that they need.

NUCLEAR POWER PLANT EMPLOYEES TO STRIKE

PY201645 Buenos Aires TELAM in Spanish 0326 GMT 20 May 87

[Text] Cordoba, 19 May (TELAM) -- The employees of the Atucha I and Embalse (Cordoba Province) nuclear power plants (?will implement) tomorrow a plan of struggle [plan de lucha], including two 2-hour stoppages per shift, to demand the fulfillment of agreements made by the National Commission for Atomic Energy [CNEA] with employees.

This decision was made in the city of Villa Maria following a meeting held by trade union leaders of the Villa Maria, Baradero, and Baradero trade unions of light and power workers. During the meeting, the arduous and long negotiations, which have been conducted with the CNEA authorities and other government officials since 1986 were reviewed.

In a communique, the trade union organizations state that the stoppages could affect the activities of the thermoelectric power plant in Embalse and in Villa Maria, which are managed by the Provincial Enterprise of Electric Power [Empresa Provincial de Engergia Electrica -- EPEC], and those of the Atucha I power plant in Buenos Aires Province.

BRIEFS

COCAINE SEIZED -- Buenos Aires, 28 Apr (DYN) -- The Federal Police at Salta have seized 5 kg of pure cocaine. The drug had come from Bolivia and was to have been distributed in the local market, the United States, and Europe. Alcibar Marquez, 21, and Romualdo Valdez, 30, both Argentine citizens, were arrested by the Federal Police in Salta. [Summary] [Buenos Aires DYN in Spanish 1336 GMT 28 Apr 87 PY]

ITALY DONATES $15 MILLION -- (DYN) -- Buenos Aires Province will be receiving 15 million dollars which the Italian Government donated to Argentina for flood relief. The corresponding documents were signed yesterday by provincial Governor Alejandro Armendariz and Public Works Minister Pedro Trucco. The bulk of the funds will be used to finance the building of the 9 de Julio-Bragado Canal. This is intended to carry off surplus water from flooded areas. The Agreement between the two entities points out that the Italian gift was decided by the Argentine-Italian Mixed Trade and Financial Commission. [Text] [Buenos Aires BUENOS AIRES HERALD in English 16 May 87 p 11 PY]

SPANISH KING, QUEEN BEGIN OFFICIAL VISIT 21 MAY

PY210211 La Paz La Red Panamericana in Spanish 0000 GMT 21 May 87

[Excerpt] At 1720 today, Spanish King Juan Carlos and Queen Sophia arrived in Bolivia aboard Spanish Air Force DC-8.

The Spanish monarchs, who have begun an unprecedented visit to Bolivia, were given a warm welcome during the protocol ceremony.

King Juan Carlos de Borbon and his wife were met at the airport by President Victor Paz Estenssoro. [passage omitted]

MINISTER SAYS PRESIDENT IN 'VERY GOOD HEALTH'

PY201400 La Paz La Red Panamericana Network in Spanish 1130 GMT 20 May 87

[Text] Interior Minister Juan Carlos Duran has stated that any attempt to destabilize the democratic process will be punished by the government within the constitutional framework. The minister also stated that his ministry will bring to trial all those who attempt to destabilize the process that maintains democracy.

These remarks were made by the minister during a talk he had with journalists accredited to Government House. At that time, he also said that the rumors about an alleged illness of the president are absolutely false.

[Begin Duran recording] This is obviously part of a plan to undermine the government's base of confidence. The president is currently in very good health as you very well know, since you see him every day. He works anywhere from 10 to 14 hours a day. He does not have any health problems and I think he could even spare some of his health and give it to several of us.

I repeat this is a plan that is trying to undermine our confidence and create an atmosphere of tension at the national level, because it is obvious that absolutely everything -- the economic, political, and the social programs -- is based on the government's stablility and the stability of the president. [end recording]

MINEWORKERS DENOUNCE 15 MAY POLICE 'REPRESSION'

PY151531 La Paz La Red Panamericana in Spanish 1130 GMT 15 May 87

[Excerpt] During a protest march today, some mineworkers were injured as a result of police repression. This report is included in a lengthy document issued by the Federation of Bolivian Mineworkers to denounce the repressive measure. Simon Reyes, secretary general of that federation, and a high-ranking member of the PCB [Bolivian Communist Party] told Panamericana the following:

[Begin recording] The police fired birdshot at the people, and consequently six mineworkers were wounded and taken to the Central Hospital. Among them I want to mention a mineworker from Huanuni named Vargas, who will have to undergo surgery for an arm injury. This is what happened today, and we want to protest and condemn these events to the people through the press. We also want to condemn the use of dogs against the people, namely against the housewives at Plaza Murillo. [end recording] [passage omitted]

POLITICIANS' REACTION TO SARNEY'S SPEECH NOTED

PY200359 [Editorial Report] Rio de Janeiro O GLOBO in Portuguese on 19 May carries on pages 3 and 5 reports on the reactions of several Brazilian politicians and officials to the speech President Jose Sarney gave on 18 May in which he stated his position on the presidential term and the adoption of a presidential form of government.

A report on page 3 includes comments by Sao Paulo Governor Orestes Quercia and Minas Gerais Governor Newton Cardoso. Governor Quercia is reported to have said: "I fully support President Sarney. His speech was positive."

Governor Newton Cardoso said that "the president has taken back command over the situation, either a solution will be found or the institutional system will break up."

Page 5 carries comments by Constituent Assembly President Ulysses Guimaraes, Senator Henrique Cardoso, and Deputies Mario Covas, Brandao Monteiro, and Jose Genoino.

Commenting on Sarney's position on the presidential term, Guimaraes said that "this is his own personal opinion, and it is an important opinion because it comes from a leader who has an important position. The final decision on the presidential term, however, belongs to the Constituent Assembly."

Senator Fernando Henrique Cardozo, the leader of the Brazilian Democratic Movement Party [PMDB] in the Senate, said that "he supports President Sarney's proposal for a 5-year presidential term."

Another PMDB leader in the Senate, Senator Mario Covas said: "I agreed with him when he said that this is not the only problem, but a definition on the presidential term is a crucial problem for the country. His position is very respectable, but I maintain my position for a 4-year term."

Deputy Brandao Monteiro, a leader of the Democratic Worker's Party, said that he is under the impression that Sarney "is aiming for confrontation by deepening the crisis to institute the return of authoritarianism."

The leader of the Workers Party, Deputy Jose Genoino, is reported to have said that "instead of proposing a solution to the political and economic crisis, Sarney decided to deepen the crisis." He added that Sarney's position was "an open intervention into the decision making process of the Constituent Assembly."

OAB President Comments

PY201921 Madrid EFE in Spanish 1645 GMT 18 May 87

[Text] Sao Paulo, 18 May (EFE) -- Thomaz Bastos, president of the Organization of Brazilian Attorneys (OAB) today said in Sao Paulo that Brazilian President Jose Sarney's mandate is "illegitimate and spurious."

Bastos added that this situation calls for direct presidential elections, which should be held no later than November 1988. Brazil will then have a new president and a new government, more in accordance with the new constitution currently being drafted by the Constituent Assembly.

Bastos stressed that "the sovereignty of the Constituent Assembly is unquestionable. Therefore, it can establish the length of the presidential term and even demand that the president be replaced."

The position of the OAB is opposite of government sectors which contend that the length of the presidential term is established by the present Constitution which was approved by the military regime in 1969, and provides for a 6-year presidential mandate.

Bastos said that Brazilian attorneys, backed by the laws, advocate direct presidential elections in 1988 because "it will not be to Brazil's benefit to allow President Sarney to complete the 6-year term established by the electoral college," a body that the military administration created for the election of presidents.

Bastos stressed that the current Constitution is "illegitimate" and added that it is essential for the Constituent Assembly to enact a new constitution "that will change the image of the country and the way it operates." He said he believed "there should be direct elections no later than 1988 to put an end to the transition initiated by the Armed Forces 10 years ago."

Bastos said the process of transition has already been completed and that a more solid democratic system should be promoted in Brazil.

Leonel Brizola, former governor of Rio de Janeiro and head of the Democratic Labor Party (PDT) has thrown his support behind the OAB position and has announced the beginning of a campaign to promote "direct elections now." Brizola, who is himself a possible presidential candidate, said that elections should be held within approximately 90 days, because "President Sarney has lost all authority, and the government is becoming weaker by the day." The politician stated that "if Sarney does not make a decision to hold early elections, the economic crisis will worsen, seriously harming the population."

Brizola, head of the third largest political force in the country, asked why Sarney would want to stay if he does not have the power to do anything?

The different political parties have begun to establish their positions concerning possible early elections in 1988. This possibility has been suggested from within the ruling Brazilian Democratic Mobilization Party itself. Within the government itself there are differences of opinion over Sarney's mandate. Some officials support the 6-year term established by the present Constitution (1985-1991), while others support 4-year term with presidential elections in November 1988.

POLL SHOWS INTEREST IN PARLIAMENTARY SYSTEM

FY202003 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 May 87 p A-6

[Text] Some 80 percent of the voters in eight of the most important state capitals favor direct presidential elections by November 1988, at the latest. The results of the poll published by Data FOLHA on 2 May, show that 72 percent of the inhabitants of Sao Paulo capital believed that elections should be held before November 1988, while 54 percent of the eight most important Brazilian capitals believe that the parliamentary system will be the best form of government for the country. Sixty-six percent voted for 4-year presidential term, while 57 percent voted for presidential reelection.

These are the main conclusions of the poll conducted by Data FOLHA on 11-12 [month not specified] in Sao Paulo, Rio, Curitiba (PR), Porto Alegre (RS), Belo Horizonte (MG), Salvador (BA), Brasilia, and Recife (PE). Some 4,128 people over the age of 18, of both sexes, who were chosen from different parts of the country, and of different social levels, were interviewed.

Among the 80 percent who favor immediate direct elections, 46 percent want the elections to be held before the end of the Constituent Assembly session; 20 percent want the elections at the beginning of the next year; and 14 percent want direct presidential elections in November 1988. Among the people interviewed, the main supporters of elections before November 1988 were the inhabitants of the State of Rio de Janeiro (87 percent), and of Rio Grande do Sul (85 percent).

The questions in the poll about systems of government included a summarized definition of parliamentary and presidential systems, without identifying the two methods. Some 54 percent of the people consulted voted for a parliamentary system, and 39 percent for presidentialism. Some 49 percent of the inhabitants of Pernambuco State, who answered the questions contained in the poll, voted for a parliamentary system, and 42 percent voted against. Some 65 percent of the people consulted in Bahia, and 64 percent of those consulted in Rio Grande do Sul also voted for the parliamentary system.

Regarding the presidential term of the next presidents, 16 percent voted for 5-year terms, and only 11 percent for 6-year terms, as established by the current Constitution. Most of the inhabitants of Rio de Janeiro State (74 percent), who were consulted about the length of the presidential term, voted for a 4-year term, while 37 percent of the people consulted voted against presidential reelection. Of those consulted in the State of Rio de Janeiro, 66 percent voted for the right to be reelected, as did 65 percent of those consulted in Rio Grande do Sul.

TUTU CALLS FOR BREAK IN RELATIONS WITH RSA

PY191134 Rio de Janeiro Rede Globo Television in Portuguese 0220 GMT 19 May 87

[Excerpt] Archishop Desmond Tutu is visiting Brazil. During his first meeting in Recife, Tutu asked the Brazilian Government to break diplomatic relations with the racist South African regime.

Tonight Tutu had an opportunity to meet with an old friend Helder Camara, the former archbishop of Olinda. [passage omitted]

SOCIALIST PARTIES ANNOUNCE DECISION TO MERGE

PY210052 Santiago FORTIN MAPOCHO in Spanish 9 May 87 p 6

[Paid advertisement published at request of German Correa and Julio Ruiz]

[Text] The political commissions of the Chilean Socialist Party, headed by Secretary General Clodomiro Almeyda,and of the Socialist Party of Chile (Single), both members of the MDP [People's Democratic Movement], hereby declare and inform the country and the Chilean Socialists of the following:

1. The country is going through crucial times for the cause of democracy. The dictatorship has launched an institutional offensive for the purpose of perpetuating itself in power, under Pinochet, even beyond 1989.

The continuation of the dictatorship with its plan to perpetuate itself in power will only worsen the crisis, and will make it more expensive and difficult for the people to wage their legitimate struggle for freedom and for the full restoration of their sovereignty.

Only if the people and all social and political sectors together mobilize and struggle openly and with determination will it be possible to defeat the plans of Pinochet and his dictatorial regime by promoting massive patriotic disobedience with a view toward a democratic uprising of the masses.

Therefore, all opposition sectors should urgently begin to follow a single course, without exception and without giving up, by sponsoring the social mobilization of the majority; promoting the demands of workers, neighbors, students, professionals, exiles, political prisoners, owners of small- and medium-sized holdings; demanding the restoration of the people's sovereignty; and sponsoring a single campaign for "free elections" against the institutionalization of the dictatorship and its 1980 Constitution, so that the people, free of military tutelage, may democratically choose the leaders and institutions that will govern them in the future.

2. The Chilean Socialist sector is aware of the historic responsibility the democratic forces of the country now have. Our intransigent struggle for democracy and on behalf of several national and popular sectors compels us to end the divisions within socialism, and to take decisive steps toward unity. The unity of the party of Grove and Allende will strengthen its historically leading role in the struggle for democracy and in the socialist transformations, thus providing a major contribution to the building of a genuinely national, democratic, and popular alternative for Chile.

Based on these beliefs, we have created and developed the MDP, which is an expression of the most genuine interests of the people, promoting and resolutely encouraging the coordination of the left as a whole, thus contributing to the formulation of a common strategy to reach the objectives of democracy and change.

3. The process and the task of achieving unity within the Socialist Party of Chile, which is entrusted with the people's and workers aspirations for democracy, revolution, and change, are intimately linked to the creation of a single Chilean leftist sector of broad and pluralistic composition, capable of attracting -- based on its own independent strength -- the largest sectors of the country to the struggle for a genuinely national, democratic, popular, and evolutionary program, in which a great strategic socialist force will gather revolutionary Socialists from whatever origin, and play a key role in the creation of a single leftist sector, which is an alternative for our country.

4. The task of achieving unity within Chilean socialism calls for the cooperation of all socialist and independent sectors, either collectively or individually, without exception, which should follow the revolutionary socialist guidelines described herein, and which should resolutely work to achieve unity.

Several mechanisms should be adopted to achieve unity, and all of them should lead to a democratic and legitimate congress attended by socialists and independent sectors.

During this process, commissions and joint work teams must be created to deal with vital issues such as organization, program, training, and the coordination of the struggle against the dictatorship at all levels.

5. Today, the culmination of our common views on our joint efforts and on ideological and political issues is our decision to resolutely work for the unity of the party of Allende, until it reaches full political unity.

We inform the country and socialists in Chile and in exile of our decision to merge. This decision is a contribution and a step forward in the broad and resolute process of achieving unity within socialism, a process that we vow to continue to support.

We call upon all the faithful socialist and independent sectors that recognize the party's historic legacy and the declaration of principles of 1933, that is, of a revolutionary Socialist Party that promotes unity and the struggle of the masses as a major component in the formation of a revolutionary leadership for the struggle for democracy and socialism, to generously and resolutely join this process.

Let us commemorate our 54th anniversary by strengthening our determination to struggle, but above all by sealing our unyielding political and organic unity. We hail Comrade Colodomiro Almeyda's determination to have his right to live in his fatherland respected.

Long live the unity within Chilean socialism.

Rebel, Chile. Only by struggling shall we defeat the dictatorship. Unity and struggle to win.

MINISTER CRITICIZES VALDES' RADIO MESSAGE

PY202231 Santiago Radio Chilena in Spanish 1700 GMT 20 May 87

[Excerpt] We are now in contact with La Moneda Palace. Nelly Yanez says she already has an answer to the proposal made last night by Gabriel Valdes, president of the Christian Democratic Party [PDC].

[Begin relay] Francisco Javier Cuadra, minister secretary general of government, has said that the 5-point proposal made by PDC President Gabriel Valdes for a transition lacks consistency and political reality. He said the plan is probably the result of talks Valdes held with former U.S. President Jimmy Carter at Carter's peanut farm during Valdes' recent visit to the United States.

Minister Cuadra made this comment after the Cabinet meeting which evaluated the country's political situation and bilateral relations with other countries.

During a radio address, Gabriel Valdes proposed constitutional reform to bring about open and free presidential, congressional, and municipal elections; the elimination of the temporary articles on arbitrary measures; the increase of registration of voters with free voter registration cards; an agreement on legislation governing the electoral system with equitable use of communications for medi.., and an agreement on rules governing political parties and antidemocratic conduct.

[Recording of Cuadra's comment indistinct] Minister Cuadra also criticized violent acts against slumdwellers who spoke during the pope's visit. [passage omitted] [end relay]

104 EXILES AUTHORIZED TO RETURN, MORE EXPECTED

PY210132 Santiago Domestic Service in Spanish 2300 GMT 20 May 87

[Text] Interior Minister Ricardo Garcia announced that the government has authorized 104 people to return to the country. The list includes Raul Ampuero and Aniceto Rodriguez among the most outstanding personalities.

Minister Garcia said that next week a new list will be released in compliance with orders given by the president of the Republic. [recorded passage indistinct]

Referring to the registration with the electoral courts, the minister said that it is the duty of all citizens to register. [recorded passage indistinct] He ended by stating that the electoral law will establish the punishment for those who do not fulfill this duty.

GOVERNMENT TO CUT NUMBER OF EXILED TO 100

PY202149 Madrid EFE in Spanish 0349 GMT 15 May 87

[Text] Santiago, 15 May (EFE) -- According to the Santiago daily LA SEGUNDA today, the Chilean Government headed by General Augusto Pinochet intends to reduce to approximately 100 the number of people living in exile.

After having authorized the return of 2,529 exiles during the first 3 months of this year, the government is still barring 964 Chileans who left the country after the 1973 military coup.

According to LA SEGUNDA, the government has requested its Human Rights Advisory Commission to review a list of approximately 500 persons for whom the commission has recommended authorization to return.

The daily states that the commission favors lifting the exile and "only imposing it for known terrorists or activities."

LA SEGUNDA notes that a large number of government sectors share the commission's point of view. The daily then discloses that probably next week, another list (the 10th released this year) of Chileans allowed to return will be released.

GOVERNMENT DENIES LINKS TO ATTACK ON VARGAS

PA201551 Madrid EFE in Spanish 0501 GMT 20 May 87

[Text] Quito, 18 May [date as received] (EFE) -- Ecuadoran Interior Minister Luis Robles Plaza said today the regime "had nothing to do" with the attack on General Frank Vargas Pazzos, former chief of the Ecuadoran Air Force and current presidential candidate.

Last Saturday, Gualberto Duran, a soldier of the Army engineers corps, tried to shoot Gen Vargas during a political meeting held in support of his candidacy; however, Duran was stopped by Vargas' personal guards.

Gen Vargas Pazzos, who is a member of the Ecuadoran Popular Revolutionary Action Party (APRE, a leftist populist party), accused Leon Febres Cordero's government of planning and ordering the attack.

In statements to the press, Minister Robles Plaza said the attack "was a personal action" by solider Gualberto Duran, reiterating that it "is an action not connected to the government."

President Leon Febres Cordeo added: "There was an incident and I understand that the soldier immediately referred to and put at the orders of the appropriate authorities. [sentence as received] There is a gap between that and saying that an attempted murder took place."

"I did not try to attack Vargas," soldier Gualberto Duran said in his statements to the military intelligence officer. A report on those statements was delivered to Defense Minister General Medardo Salazar.

Duran said "while I was listening to what Gen Vargas Pazzos was saying at the political meeting in the area of Dos Puentes (in southern Quito), my revolver's cylinder fell off. At that moment two members of Gen Vargas' security body arrested me."

INCREASE IN OIL PRICE SOUGHT AT UPCOMING OPEC MEETING

PA190341 Madrid EFE in Spanish 2331 GMT 18 May 87

[Text] Quito, 18 May (EFE) -- Ecuador will request a $4 increase in its oil prices during the upcoming OPEC meeting, to recover the crude oil's value, given the increase in the dollar's exchange rate in the country. The last OPEC meeting established the crude oil price at $17.00 (approximately 2,500 sucres).

Ecuadoran Energy Minister Xavier Espinoza said the increase will be just because the crude oil price has dropped and the country's current economic situation makes it necessary to review this measure and establish a realistic price. He also said that during the meeting Ecuador will present a report on how the dollar's exchange rate has dropped in comparison with the Japanese yen.

BISHOPS ANNOUNCE NEW STAGE OF NATIONAL DIALOGUE

PY202103 Asuncion HOY in Spanish 20 May 87 p 15

[Text] The Paraguayan Episcopal Conference (CEP) is preparing for the second stage of the pastoral campaign called the National Dialogue. This stage will comprise a series of meetings gathering members of all national sectors, and will be aimed at coordinating ideas and suggestions which may effectively promote dialogue at all levels of the Paraguayan society. The steps to be taken were explained yesterday during a news conference held at CEP offices. The meeting was presided over by Msgr Ismael Rolon, CEP chairman, Msgr Demetrio Aquino, and Msgr Livieres, who acted as spokesman.

Concerning the achievements of the first stage of the campaign, Msgr Livieres said: "The response which people from different levels of society, and various professions, have given to the questions asked during the first stage of our campaign, have revealed tha the serious imbalances which exist in Paraguayan society create an accumulated uneasiness. This uneasiness requires channels through which to reveal itself, and a serious approach."

"Some sectors," he added, "including the ruling Colorado Party, and several other sectors which are controlled by the Colorado Party, did not take part in the National Dialogue. Despite our insistent and earnest invitation, these sectors of our society have refused to contribute to this national campaign. History, however, will judge the consequences of this refusal, which also represents a slight to the call of the church. These sectors have denied their contribution to society, and created uneasiness within the party itself," he stressed.

Msgr Livieres said that "the response to the fist stage of the National Dialogue shows, together with other serious concerns and difficulties, an intense desire to create a different type of national coexistence. This desire, which can be detected in the great majority of the people, can also be found in high-ranking officials of the ruling party, and of other entities and organizations."

"While analyzing the contributions received during this first stage, we have detected certain common causes for the situation being experienced in the country, and which are revealed in different sectors of the society. We, the bishops, are the first ones to admit our responsibility for the national crisis, for not having developed the Christian conscience of the people or having sufficiently evangelized their culture."

FOREIGN MINISTER SALDIVAR DEPARTS FOR BRAZIL

PY210157 Asuncion LA TARDE in Spanish 20 May 87 p 10

[Excerpt] "In Paranagua, I will learn about the efforts in the commerical sector to speed up our exports, and I will observe the nice facilities we have there. In Curitiba, we will visit with Parana State officials and discuss several issues, including the railway of production." This comment was made by Foreign Minister Carlos Saldivar, who left this morning for the Brazilian state of Parana.

The foreign minister left early today with an entourage that included, among others, Senator Ezequiel Gonzalez Alsina and Dr Jose A. Moreno Rufinelli. They will stay in Brazil until Saturday, after fulfilling their agenda in Paranagua and in Curitiba. [passage omitted]

REPERCUSSIONS OF 19 MAY 'NATIONAL STRIKE' NOTED

9 Injured, 500 Arrested

PY202053 Paris AFP in Spanish 1635 GMT 20 May 87

[Text] Lima, 20 May (AFP) -- It was reported here today that the national strike staged to protest the difficult economic situation and yesterday paralyzed Peru has left 9 people injured, among them an opposition deputy, 500 detainees, [words indistinct] terrorist attacks, and damages the government has not as yet estimated.

Deputy Manuel Cortez was shot in the leg while demonstrating yesterday in Chimbote, 412 km north of Lima. The strike was decreed by the General Confederation of Peruvian Workers (CGTP).

Leaders of the IU (United Left), the main opposition sector, have charged today in Lima that antistrike groups of the ruling APRA [American Popular Revolutionary Alliance] attacked and shot at the demonstrators. A civil guard patrol unit was also hit by bullets. The sources said the lawmaker is not in a serious condition, but that the attacks will be reported at Congress. The sources added that three workers were injured in the southern city of Arequipa, the country's second largest city. They blamed the incident on APRA antistriker groups.

Government sources in Lima have said they have just learned about the charges, and they will be investigated. Authorities have said that five other people were injured by bullets fired by troops in densely populated areas of Lima to control the mobs blocking the streets to prevent workers from getting to their jobs. Authorities estimated that 500 people were arrested.

The media have said that the strike, which according to Labor Minister Orestes Rodriguez was a failure and according to the Communist CGTP was successful, paralyzed more than 50 percent of the country. Authorities have not yet estimated the damage caused by the first labor protest against Alan Garcia's 22-month-old Social Democratic government.

It was clear that the lack of transportation services, which kept away fearing the mobs, prevented thousands of workers from getting to their offices and factories. Many stores and plants closed for this reason.

Most of the terrorist attacks staged during the strike were attributed to the Tupac Amaru commandos of the MRTA [Tupac Amaru Revolutionary Movement], which yesterday raised several red flags in the industrial sectors of Lima.

Four buses, an electricity pole, three bank branches, and a government office were reported attacked in Lima. Two dynamite attacks were reported in the northern port of Chimbote, where police also deactivated a car bomb.

Further Violence Reported

PY201611 Paris AFP in Spanish 2146 GMT 19 May 87

[Text] Lima, 19 May (AFP) -- Police have reported that presumed Shining Path terrorists today planted booby traps in several public telephone booths in Lima during the strike.

The booby traps were defused by police experts. The antigovernment strike was called by the CGTP to protest the high cost of living.

It was also reported that a Shining Path guerrilla was fighting for his life yesterday after he tried to bomb a gas station in a shantytown in northern Lima: The terrorist, who was not identified, had part of his chest and arms torn away because the bomb he was attempting to throw exploded.

Authorities also confirmed that yesterday 18 May, the Shining Path organization killed three municipal leaders in the Andean area of Ayacucho, 575 km southeast of Lima, pinning to their bodies signs saying "any representation of a corrupt state must be destroyed." Authorities said that the Shining Path organizaton has been using this type of sign since it implemented a new strategy of attacking civilian, military, and police authorities more than 1 month ago. Previously, a sign reading "death to the traitor" was pinned on the Shining Path victims.

On 17 May, the Shining Path organizaton celebrated its 7th anniversary of a bloody popular war that thus far has caused more than 9,000 victims in Peru. Yesterday, it was also reported that 4 days after the implementation of a police strike, which was lifted last night, Shining Path commandos raided the town of Yanacancha, in the central Andean area, throwing dynamite sticks, leaving red flags with the hammer and sickle, and shouting "Long live the armed struggle."

Other dynamite attacks occurred in the cities of Chimbote and Cajamarca in northern Peru. In Chimbote, an explosion damaged the facade of a newspaper building and a government office. In Cajamarca, three dynamite attacks against government offices were reported. No injuries were reported in any one of the attacks.

NICARAGUA'S ARCE MEETS WITH GARCIA, WAGNER

PY151527 Lima Canal 9 Television in Spanish 0300 GMT 15 May 87

[Text] Following a ministerial council meeting that he chaired today, President Alan Garcia Perez met with the political coordinator of the Sandinist Front, General Bayardo Arce, who came to Government Palace in the company of Nicaraguan ambassador to Peru Mauricio Cuadra. After meeting for 45 minutes, President Garcia Perez and Foreign Minister Allan Wagner came out to bid the visitors farewell.

[Begin Bayardo recording] As the Peruvian people, the Nicaraguan people, and the international community know very well, the Peruvian and the Nicaraguan Governments maintain bonds of Latin American brotherhood and identification with the struggle for justice for our people. So, we came to consult with the Peruvian Government on the eve of a new effort for peace in Central America, which is to begin at the upcoming meeting of Central American presidents in Esquipulas next month. Since Peru is a member of the Contadora Support Group and an interested party in peace in our region, the Nicaraguan Government has deemed it appropriate to make political consultations with the Peruvian Government in order to reactivate the Contadora Group and involve it in the peace process: This process will enter a new stage in Esquipulas, as well as to make the bonds of brotherhood and cooperation between Peru and Nicaragua even stronger. [end recording]

Further Report

PY151935 Madrid EFE in Spanish 0337 GMT 15 May 87

[Text] Lima, 14 May (EFE) -- Bayardo Arce, Deputy Political Coordinator of the Sandinist Front, stated today in Lima that Nicaragua is prepared to confront any aggressor and that it is not only defending its own sovereignty in its territory, but that of Latin America as well.

After a meeting with President Alan Garcia at Government Palace in Lima, Arce said in a news conference that "it is time" for the United States to understand that Central American countries have grown mature and are capable of setting their own destines.

The Sandinist leader explained that the objective of his visit to Lima is to hold talks with the Government of Peru, a member country of the Contadora Support Group, in order to discuss the meeting of Central American presidents to be held in June 1987 in Esquipulas, Guatemala.

He added that Peru, as a member of the Contadora Support Group which is seeking a peaceful and negotiated solution to the Central American crisis, is an "important agent" in favor of peace, and for this reason the government has decided to conduct an exchange of political ideas to try to reactivate Contadora.

Regarding the possibility of an invasion of Nicaragua, Arce stated that it will reportedly be decided by the U.S. people, who are opposed to it; by the international community; and by Latin American opinion, which is also against that action.

Arce added that if the U.S. policy is imposed in his country, "then all Latin American countries will be subjugated."

The Sandinist leader stated that in his meeting with Alan Garcia he has found a position of solidarity and support of the Nicaraguan efforts for its free self-determination, independence, sovereignty, and a commitment in favor of peace.

$75-MILLION TRADE AGREEMENT SIGNED WITH MEXICO

PY201444 Lima Television Peruana in Spanish 0205 GMT 20 May 87

[Report from Government Palace]

[Excerpt] The Peruvian and Mexican Governments today signed a trade agreement worth $75 million. The money will be used to purchase capital goods.

President Alan Garcia Perez presided over the ceremony, which was held this morning at the Golden Room of the Government Palace. The agreement will be used to purchase machinery, capital goods, medicines, and anything else the two countries may be willing to import or export.

Peru will contribute $25 million through the Financial Development Corporation, and Mexico will contribute $50 million obtained through the Mexican Foreign Trade Bank. [passage omitted]

CURRENT NATIONAL ECONOMIC SITUATION OUTLINED

PY202030 Madrid EFE in Spanish 0929 GMT 20 May 87

[By Alberto Pepe Leira]

[Text] Montevideo, 20 May (EFE) -- In order to service its foreign debt after the increase in international interest rates, Uruguay will have to use 42 percent of its income from exports. In other words, Uruguay will have to more than double its trade surplus. Uruguay's debts abroad amount to 5 billion and most of the interest rates it pays is based on the London Libor rate.

In remarks to the press, Ricardo Pascale, the president of the Central Bank, said the increase of the prime rate in the United States, which also affects all international loans, is an answer to the moratorium Brazil implemented in February 1987. In 1987 there has been a 23-percent increase in the Libor index. It went from 6.1875 to 7.625 percent, which means that this year, Uruguay will have to pay an extra $37 million on its foreign debt.

Jose Pedro Damiani, vice president of the Central Bank, said that before the increase in the U.S. prime rate to 8.25 percent in May, Uruguay would have paid $375 million in interest in 1987, now it will have to pay $412 million.

In 1986, Uruguay's exports amounted to $1.047 billion, with an overall growth of 35 percent in its sales abroad, while imports amounted to $838 million, of which $140 million was used to purchase oil. The favorable trade surplus amounted to $208 million, less than 50 percent of what the country needs to service its foreign debt. The situation has been defined as "dramatic" by President Julio Maria Sanguinetti. He has rejected the new interest rates, which are an addition to the fall in the price of raw materials and the ever-increasing protectionism of the developed countries.

In Uruguay this problem is slowing the 6.3-percent growth the country experienced in 1986. This problem is common throughout Latin America. Uruguayan foreign reserves also increased by $250 million, while the fiscal deficit was reduced from 2.9 percent to 1.2 percent of the GDP. Uruguay, an oil importing country, could not take advantage of the 1986 fall in oil prices, which gave it a savings of $114 million. At the same time it lost $120 million through the fall in the prices of agricultural products.

During the recent Buenos Aires meeting of the International Press Institute (IPI), Sanguinetti and Peruvian President Alan Garcia agreed that the foreign debt must be linked to international trade and that it is not a banking problem, that it must "be dealt with politically."

Gonzalo Chiarino, the president of the Rural Federation, today stated that the price of Uruguayan beef, the country's main export, ranges between $700 and $800 more per ton than the beef sold by the EEC, which subsidizes its exports. Between 25 and 27 May, the presidents of Brazil, Argentina, and Uruguay will evaluate the new conditions regarding the foreign debt as related to the increase in international interest rates.

Argentine President Raul Alfonsin will remain in Uruguay for 2 days to discuss bilateral affairs with Sanguinetti. On 27 May, the two presidents will meet with Brazilian President Jose Sarney at the Montevideo. At the Santa Teresa "summit" new formulas will be sought to stimulate the Cartagena Consensus, which includes the 12 countries that owe 90 percent of Latin America's foreign debt, which currently amounts to approximately $400 billion.

SELA, CEMA TO HOLD FIRST MEETING IN CARACAS

PA210209 Paris AFP in Spanish 1903 GMT 20 May 87

[Text] Caracas, 20 May (AFP) -- SELA, the largest economic organization of the region with 26 member countries, will hold its first working meeting tomorrow, Thursday at its Caracas headquarters with CEMA, which consists of socialist countries.

The encounter, which will end on Friday, will be inaugurated by the general secretary of CEMA, Vyacheslav Sychev, and the permanent secretary of SELA, Venezuela's Sebastian Alegrett. This is Sychev's first visit to Venezuela and Latin America outside Cuba, SELA sources said.

Alegrett talked about relations among the nations of the two regions -- the CEMA consists of 10 socialist countries -- and the encounter that took place after the signing of a "memorandum of understanding" in Moscow in the middle of 1986.

The joint work in Caracas "will identify actions to be taken and will make proposals for cooperation between the two groups of countries," said Alegrett. He added that although economic relations between the two blocs of countries began in the 1950's, all the possibilities have been largely unexplored.

He emphasized that under the situation of great economic difficulties that the Latin American and Caribbean countries are experiencing, one must not underestimate the socialist market as an outlet for the goods of this region.

He also stressed that this is the first multilateral encounter between the Latin American countries and the CEMA. The encounter occurred as a result of the Latin American foreign debt and after bilateral agreements on relations had been concluded.

The socialist bloc constitutes one quarter of the world's trade and Alegrett urged the region to expand its exports toward the East. Such a move would be important for countries such as Argentina and Brazil, that together constitute 80 percent of Latin American trade, he said.

CEMA and SELA are not government organizations. Therefore, the encounter in Caracas will not result in specific agreements.

Nevertheless, progress is expected in clearing up certain technical aspects and in defining areas in which economic cooperation would be favorable for both regions, which are unfamiliar with each other, said Alegrett.

Alegrett and Sychev will hold a news conference on Friday. The Soviet official will also meet in Caracas with Venezuelan Foreign Minister Simon Alberto Consalvi and visit the industrial area of Ciudad Guayana, in eastern Venezuela, where iron and steel are produced.

EDITORIAL PRAISES SHULTZ VIEWS ON PACIFIC BASIN

PA202234 Mexico City EXCELSIOR in Spanish 15 May 87 p 6-A

[Editorial: "A View to the Pacific"]

[Text] Aware of the future possibilities of the Pacific Basin -- at present the center of world economy and certain to gain even more importance as the years go by -- U.S. Secretary of State George Shultz has outlined an ambitious global strategy for those nations sharing that basin to reaffirm common policies geared toward the expansion, opening, and development of international economy.

Shultz understands there are Pacific countries in full productive and political transition -- some with a relatively slow rate of growth but in any case with profound structural transformations, as is the case with Mexico. Yet there are others rapidly developing but still with gross defects in the functioning of their political and democratic structures -- and for this reason he deems it necessary to redouble efforts to reinforce peace and stability through the maintenance of an effective deterrent to the use of force by expansionist nations. "The Pacific countries in transition," he said, "have before them the opportunity to seek their own solutions, in a process of strengthening the democratic political institutions."

These are concepts which denote a complex and constructive vision of international problems. For example, the idea of a North American common market, understood as a bloc, isolated from world trade, is ruled out -- although it could be used to define the scope of the plans for the Pacific. Also ruled out is the practice of entering into bilateral trade agreements which in the end turn out to be self-defeating.

SOVIET AMBASSADOR COMMENTS ON FOREIGN POLICY

PA182346 Mexico City Red Nacional 13 Imevision Television in Spanish 1955 GMT 18 May 87

[Report by Raul Sanchez Carrillo]

[Text] Soviet Ambassador to Mexico Rostislav Sergeyev has stated that all countries of the world must have a self-built future and an independent foreign policy. He said that Mexico, with whom the Soviet Union has lately strengthened its ties, is an example of this.

Sergeyev said this on the first day of a conference on the Soviet Union in the international arena, organized by Mexico's Femenina University. He noted that the recent visit [to the Soviet Union] by Mexican Foreign Secretary Bernardo Sepulveda permitted advancing on some fields of interest to the two countries.

Regarding world peace, Sergeyev is interested in seeing that atomic energy is used for peaceful objectives and not for the destruction of mankind.

BRIEFS

DRUG SMUGGLER KILLED -- Chihuahua, Mexico, 25 Apr (NOTIMEX) -- Pablo Acosta Villarreal, one of the drug trafficking heads in northern Mexico, was shot dead today during a clash with police forces in the township of Manuel Benavides. The Federal Judicial Police reported that two policemen were wounded during the shooting. Roque Aranda III, Omar Martinez Arnada, and Erik Rey Duarte, three of the main cocaine traffickers and suppliers in the country and in large areas of the United States and Central America, were apprehended on 19 April. After this, it was learned that Acosta Villarreal was in the township of Manuel Benavides and Federal Judicial agents went there. Pablo Acosta headed approximately 400 drug smugglers and worked close to Rafael Caro Quintero. [Text] [Mexico City Notimex in Spanish 2340 GMT 25 Apr 87 FL]

DRUG SMUGGLERS ARRESTED -- Federal Judicial Police have detained in Caborca, in the northwestern Mexican State of Sonora, three suspected drug smugglers who were transporting 1.162 kg of heroin with a black market value of over 500 million pesos (over $500,000). The arrested are Alfonso Galvan Pineda, Cuauhtemoc Rodriquez Galvan, and Maria del Carmen Galvan Macias, who were apprehended when they were transporting the drug. They were planning to smuggle it into the United States in a late-model car with Baja California license plates. The three people were detained in the San Luisito settlement as a result of investigations being carried out in Michoacan in the last few weeks, ending in Caborca. The suspects said they acquired the drug in a Michoacan and were planning to make a large amount of money as soon as they were able to ship it to the United States. The drug, suspects, and vehicle were surrendered to the Federal Prosecutor's Office agent in Caborca. The suspected drug smugglers were charged with crime against health for illegal drug trafficking. [Text] [Mexico City NOTIMEX in Spanish 2349 GMT 25 Apr 87 PA]

MARIJUANA SEIZED -- In three different actions, the Federal Judicial Police confiscated 1,475 kg of marijuana in Nogales, Sonora, and Gomez Palacio and detained seven drug traffickers. The drug reportedly was to have been shipped to the United States. [Summary] [Mexico City EXCELSIOR in Spanish 22 Apr 87 pp 1, 3 PA]

DRUG TRAFFICKERS ARRESTED -- During the past 24 hour, 12 drug traffickers -- including 2 public officials -- were arrested in Michoacan and 8 kg of marijuana, weapons, six vehicles, and some 3 million pesos were confiscated. Artemisa Solano Galan, agent of the Federal Public Ministry in Uruapan, Michoacan, reported the gang had been arrested near El Aguaje village on the Apatzingan-Aguililas road. She noted that among the drug traffickers were Raul Manriquez Mendoza, chief commissioner of the village [presidente del comisariado ejidal], and Abdon Valencia Aguilar, municipal delegate. [Summary] [Mexico City EXCELSIOR in Spanish 28 Apr 87 p 8-D PA]

COCAINE SEIZED -- Tepic, Nayarit, 4 May -- Police have confiscated a drug shipment consisting of 532-kg of cocaine and 2 kg of marijuana. The trailer carrying the drug shipment was stopped on the road between this city and Puerto Vallarta on a traffic violation, which led to the discovery of the shipment. [Summary] [Mexico City EXCELSIOR in Spanish 5 May 87 p 35-a PA]

QUARTERLY TRADE BALANCE FIGURES -- The National Statistics, Geography, and Data Processing Institute has reported that during the first quarter of 1987, Mexican trade showed an accrued positive balance of $2.187 billion. It explained that in March alone the trade balance was $705 million. The main contributing factors were oil exports which increased by 23.7 percent and the nonpetroleum exports, basically manufactured products, which rose by 24.7 percent. The total imports of the public sector amounted to $603 million and the private sector import figure was $2.011 billion. [Text] [Mexico City XEW Television Network in Spanish 1300 GMT 27 Apr 87 PA]

GEN NORIEGA GREETS ACTING PRESIDENT ESQUIVEL

PA201737 Panama City LA PRENSA in Spanish 20 May 87 p 28-A

[Report by Lisette Carrasco and Zoila Rodriguez Jovane]

[Text] Acting President Roderick Esquivel hosted yesterday a luncheon meeting at the Palace of the Herons with cabinet members, legislators, and prominent members of the Democratic National Union (UNADE) coalition.

According to the persons who attended the meeting, the purpose of said meeting was to seek a rapprochement among the representatives of the various political factions of the government coalition who have shown a certain distrust toward Liberal Party member Roderick Esquivel.

Manuel Antonio Noriega, chief of the Panamanian Defense Force [FDP], did not attend the meeting. However, he showed up -- accompanied by his general staff and a large military retinue that preceded him -- and talked with the acting president for nearly 90 minutes.

Jose A. Medrano, president of the Agrarian Laborite Party [as published] was asked if he was aware that the invitation included the military chiefs, and he said: "As far as I know, the invitation was only for representatives of the leadership of the various parties and legislators."

Medrano said: "I do not know if this invitation included members of other institutions," adding that he became aware of the visitors later.

Concerning the results of the meeting, he said the meeting was merely for exchanging points of view and coordinating opinions with the various members of the parties, and he denied it had anything to do with the UNADE stand in the face of the forthcoming elections.

Meanwhile, FDP Chief General Manuel Antonio Noriega -- who met for 90 minutes with Dr Roderick Esquivel -- avoided making any comments on the meeting, adding "I can visit the Presidential Palace anytime I want, like any other Panamanian citizen."

When several reporters from various social communications media asked about his presence at the Presidential Palace, Noriega briefly said: "I am not making any statements."

When asked by journalist Antonio Diaz, of Television Channel 13, if the solution to Central America was through military means, Gen Noriega said: "We military men definitely understand each other, because war is waged with bullets and not with words."

Meanwhile, spokesmen for the Information Office of the Presidency of the Republic stated that Gen Noriega and his general staff went to the Palace of the Herons to present their greetings and pay respects to Vice President Esquivel.

EL SALVADOR

UNTS URGES MILITARY 'TO PROMOTE' DUARTE 'DOWNFALL'

PA201217 Paris AFP in Spanish 2349 GMT 19 May 87

[Text] San Salvador, 19 May (AFP) -- The National Union of Salvadoran Workers (UNTS), with a membership of 300,000, today called on "honest military officers" to "promote the downfall" of President Napoleon Duarte and to open the door to the establishment of a pluralistic government.

On the other hand, during a news conference, the UNTS Executive Committee denounced "a wide-ranging campaign" by the Army to control the labor movement "with violent measures instead of offers of salary increases."

Julio Portillo, member of the UNTS board, noted that the working class is not looking for a confrontation with the authorities, as Defense Minister General Eugenio Vides Casanova said recently. Portillo stressed that the wave of protests is a consequence of the latest measures by the government, which include increasing the prices of basic grains and rationing electric power, which may increase from 4 to 8 hours combined with a 30-percent increase in electricity rates. According to Portillo, "the people cannot put up any longer with the serious economic, political, and social crisis." For this reason, he urged "progressive" officers to pressure Duarte into resigning.

During the last 15 days, San Salvador's streets have been occupied by workers almost daily to protest the low wages, while humanitarian groups have denounced violations of human rights.

Guillermo Rojas, a UNTS member, asserted that in view of the wave of protests, the U.S. Government, President Duarte, and the Army "have plans against the trade union movement." Rojas urged the labor organizations "to step up their nonviolent struggles to wage great battles."

According to a Coprefa bulletin, the street demonstrations "disrupt public order and damage private property." Coprefa claims the latest marches "are politically inspired" and "led" by FMLN elements.

COL LOPEZ COMMENTS ON PARTIAL AMNESTY BILL

PA201944 San Salvador Channel 6 Television in Spanish 0001 GMT 19 May 87

[Report by Carlos Armando Rivero on interview with Deputy Public Security Minister Colonel Reynaldo Lopez Nuila; date and place not given -- recorded]

[Text] [Rivera] Deputy Public Security Minister Col Reynaldo Lopez Nuila expressed before the Legislative Assembly certain military observations concerning the partial amnesty proposed by President Jose Napoleon Duarte.

Col Lopez Nuila met with the Commission on Legislation and Constitutional Matters [Comision de Legislacion y Puntos Constitucionales]. He said the Armed Forces are not opposed to the government's amnesty proposal, but believes it should have certain political and military limitations. Lopez Nuila added that the Christian Democratic government's initiative shows President Duarte's desire to humanize the armed conflict.

[Lopez Nuila] Basically, the government is concerned over the current situation in the country. One of the aspects that perhaps has received more attention from those who have carefully analyzed the political process and the human rights status in El Salvador is the special situation of many prisoners who have remained in jail for several years, sometimes without standing trial to clarify their personal situation. I think this could help ease the situation, and perhaps could also be a way of bringing things to the attention of the judicial branch, so it will try to encourage and expedite its internal activities.

[Rivera] Col Lopez Nuila said the amnesty could help expedite certain political trials within strict limits, without having to release prisoners who are considered a danger for the state. What are those limitations, Colonel?

[Lopez Nuila] There are political and legal aspects, legal procedures, and penitentiary aspects; there are several aspects to be considered.

[Rivera] According to the government, the bill on partial amnesty does not include cases of kidnappings and attacks against public and private property. Col Lopez Nuila also said the government is reviewing the possibility of authorizing the departure of 100 wounded guerrillas from the country as part of the efforts to humanize the conflict.

INTERVIEW WITH COL MAURICIO VARGAS ON FMLN TACTICS

PA201630 San Salvador Radio Cadena Sonora in Spanish 0016 GMT 19 May 87

[Interview with Colonel Mauricio Ernesto Vargas, commander of Military Detachment No 4 in Morazan Department by unidentified reporter; date and place not given -- live or recorded]

[Text] [Reporter] You have publicly requested the nongovernmental Human Rights Commission to speak out against these types of actions [not further identified], which you have explained point by point. What can you say about the fact that you have not yet received any response after the attack [not further identified] and that there have not been any protests?

[Vargas] I have definitely said these organizations are currently responding to ideological interests and are manipulating the masses. I believe the humanitarian concepts and the creation of these type of organizations were once based on ideals and self-motivating principles. However, I have also said that now they have become corrupt and have become accomplices of the FMLN killings by demanding that the murderers be pardoned. In this regard, I continue to say that the human rights groups are cowardly accomplices of the FMLN assassinations and they should definitely be impartial. If Col Vargas violates human rights, then Col Vargas must go to trial and be punished. Likewise, the FMLN criminals must also respect human rights and must not go around preaching Marxist concepts that the defense of the revolution takes priority over their own interests. They never talk abou the FMLN as being criminals, they only talk about those who get killed while defending democracy.

[Reporter] After investigating the type of missiles used by the FMLN, do you believe they came from Nicaragua or Cuba?

[Vargas] We must be more clear and more tangible concerning this. If the weapons did not come from Nicaragua...[changes thought]. They talk about the black market and the weapons they take from the Armed Forces. Let us accept this. However, the FAL rifles that have appeared in this country were supplied by Venezuela to the Sandinists to overthrow Somoza's dictatorship. In this case, the FMLN cannot argue they got the weapons from the black market. That is definitely support from Nicaragua. Likewise, there are reliable documents that show that Nicaragua received 21,000 tons of weapons in 1986, and part of this load has been directly brought into our country.

The political philosophy and system of the Marxists have three fundamental characteristics: They are internationalists, interventionists, and totalitarians. There is a Venezuelan man who speaks on Radio Venceremo and says he is a Salvadoran. He says our people are oppressed. No sir, you do not even have Salvadoran blood must less notions about this country. You are not in your country because you are undesirable there. You do not fit in a democracy. People with that kind of philosophy are in El Salvador. We have to be very careful about this type of situation. These people must know we do not want foreign ideologies imposed here. We do not want hate to be used as the means for change. We cannot allow the FMLN criminals to say they want peace and at the same time attack villages. Criticizing the Armed Forces for its use of the Air Force is a tactic used by the FMLN. Their commando, coordination, and control support definitely comes from Nicaragua. Where do they hold their meetings? What about the congresses held in Cuba? Both are communist countries. We must be aware of what is going on in our country. That is what I can tell you about the intervention by Nicaragua, Cuba, and other Soviet-bloc countries.

[Reporter] Colonel Miguel Antonio Mendez, commander of the 3d Infantry Brigade, made an urgent call on parents who have students in the Oriente University Center [Centro Universitario de Oriente] because military intelligence discovered that several students were affiliated with the FMLN, and that was a delicate situation, according to Col Mendez.

[Vargas] I believe it is a very delicate situation. You must recall that one of the FMLN's overall strategies is to organize the masses. It is not only an FMLN strategy; it is an organization Marxist strategy. They have the party's organization, the armed struggle, the united front, and the organization of the masses. These four concepts also include labor organizations, labor unions, students organizations, etc. The united front was organized in Nicaragua by private enterprises and the church to change a structure and to establish a democracy and a pluralistic government. This was directly offered to the people. They came up with this united front, and what did they get? The nine commanders.

Subsequently, they said they had a democracy. However, they do not have a democracy. They said they had elections, but then they should have respected their elections. Daniel Ortega is the president of Nicaragua, but the president does not rule in Nicaragua as free elections would have called for. The nine commanders rule in Nicaragua. The people did not vote for the nine commanders to rule them. The people voted for a president. However, they are once again breaking the structure and acting in their own benefit.

We definitely must be very careful, because as parents, we must supervise our children. Democracy implies liberty, but not libertinism. Democracy means we can demand the government meet our basic needs. That is what democracy is. There must be a framework; there should not be anarchy in our country. We must all participate in the democratic enterprise; however, this implies the defense of the legal-political institutions, as well as respect for the law and the Constitution, gentlemen. This is definitely a call, because unless we do, the Marxists will be the only ones who will benefit.

Our boys, with their youth and enthusiasm...[changes thought] Furthermore, there are structural deficiencies that are obvious to all of us. Let us change those factors, gentlemen, but within the democratic purview. We should not fall into anarchic patterns; we should not fall into silly polarizations defending particular interests, or into narrow-mindedness that will only lead to the strengthening of the FMLN Marxists. Therefore, parents, friends, workers -- in the industrial, commercial, agricultural sector -- state workers, we must be careful. We must demand our rights. Democracy must satisfy our needs. That is what we voted for, and that is why we want a democratic system that will satisfy the basic needs of 5 million Salvadorans. However, as I said, we must demand our rights, showing respect for the legal-political institutions and for the Constitution and the law. Otherwise, gentlemen, we would only be strengthening another communist, Marxist-Leninist dictatorship trying to enthrone itself in America, and then spread like cancer to all the American countries. Proletarians of the world, unite, is their motto. However, they only want to implement an enslaving system that deprives man of his basic rights, a system that deprives man of his own individuality and emotions. In that sense, we must be very careful not to be manipulated by the government, by the Armed Forces, and much less by the undesirable FMLN, which is only interested in installing a Marxist dictatorship in our country.

FMLN FORCES INFLICT 93 CASUALTIES IN 1 WEEK

PA181452 (Clandestine) Radio Venceremos in Spanish to El Salvador 2300 GMT 17 May 87

[Text] Attention. According to our estimates, in 1 week of guerrilla combat, which began on 16 May, we have inflicted a total of 93 casualties including wounded and dead on the demoralized enemy troops. There are 93 fewer soldiers in the troops of puppet [General Adolfo Onecifero] Blandon.

Our reports state that a section leader, Second Lieutenant (Miguel Artilla Brini), as well as a lieutenant of the Bracamonte Battalion and a soldier-male nurse, who were killed in clashes with FMLN forces, are included among the casualties inflicted on the enemy.

GUNMEN ATTACK ELECTORAL COUNCIL PRESIDENT'S HOME

PA180040 San Salvador Radio Cadena YSU in Spanish 1100 GMT 17 May 87

[Text] Last night, unidentified persons strafed the residence of Central Electoral Council President Dr Mario Samayoa in the El Roble suburb of this capital. This morning we talked with Dr Samayoa about this incident.

[Begin recording] [Samayoa] I have been informed that two persons armed with rifles or machineguns stepped out of a gray car with dark windows and fired at some national policemen and at two of my security guards.

Fortunately, the attack was not very strong and only one guard was wounded. He was wounded in the elbow and back. Everybody was nervous because of this dangerous experience. The attackers fired their weapons not only to scare the guards but to cause damage because there are bullet holes in my car and in my neighbor's house. The marks are at such a height that anyone passing by would have been killed.

[Unidentified reporter] Who do you think the attackers were?

[Samayoa] I have no way of knowing. You know there are many people who are against the democratic process. There is the extreme left and the extreme right [words indistinct]. I cannot point to anyone.

[Reporter Indistinct]

[Samayoa] This attack was against the process, really. It was not against me, because I was not even home. This is the third attack in less than a month. The police are being attacked more than anyone else. [end recording]

GUATEMALA

PRESIDENT ASKED TO PAY ATTENTION TO HOME FRONT

PA200452 Guatemala City Cadena de Emisoras Unidas in Spanish 0050 GMT 20 May 87

[Station commentary: "Now Mr President, Look at Domestic Problems"]

[Text] The newspaper PRENSA LIBRE published a commentary in its Sunday supplement noting that President Vinicio Cerezo was able to successfully cross the muddy waters of the Potomac River and succeeded in keeping his active neutrality policy untouched.

The president's diplomatic skills kept his meeting with Reagan from becoming a session of yielding, as usually happens with the Central American presidents. The morning newspaper, however, notes something that grandmothers say: He is light in the street and darkness at home.

This saying is to a large degree accurate. Most observers believe the main achievements of the Christian Democratic Party regime headed by Cerezo are in the foreign policy field. The same cannot be said of the domestic field.

Circumstances now give the president the opportunity to make an important contribution to democratic consolidation in the domestic field because he has returned from Washington with renewed prestige and his head high, exhibiting a sense of dignity and sovereignty evident to all aware Guatemalans, with some exceptions. Like some obsessive fellow who says sovereignty cannot be eaten, and it would be better to yield to the impositions of President Reagan who obsessively insists on sticking his hands -- and after his hands, bullets, blood, and corruption -- into Central American matters. There is the Iran-contra case.

President Cerezo has three grave problems he must face: He must harmoniously resolve the still latent conflict with the state employees; he must promote acceptable standard of living levels; and he must improve security measures to control a crime rate that has no bounds. These points should be a priority in the presidential agenda.

GOVERNMENT REFUSES TO PAY SPANISH BANK LOAN

PA181824 Panama City ACAN in Spanish 1621 GMT 17 May 87

[Text] Guatemala City, 17 May (ACAN-EFE) -- The Guatemalan Government will not pay back a loan for $180 million that the Banco Exterior of Spain granted to a state institution for financing a cellulose plant, an economic source reported today.

Economy Minister Elizardo Sosa told the press that Guatemala does not have any legal commitment with the Banco Exterior of Spain for a debt of the National Financial Corporation (CORFINA). The Spanish bank granted CORFINA a $180 million loan to build and equip the Cellulose Plant of Guatemala (CELGUSA) in El Rancho municipality, 86 km east of Guatemala City. The business deal, which was carried out during the Romeo Lucas Garcia (1978-1982) military regime, has been described by the Christian Democratic administration of Vinicio Cerezo as "muddy" ["turbio"].

The plant, which is considered the largest cellulose plant in Central America was founded in 1980 with Spanish and Guatemalan capital worth $240 million, but it only operated for 6 months and shut down for lack of financing. Minister Sosa said Guatemala cannot pay back the loan "because Congress never approved it, as it should have done because this was a considerable amount of money." "Therefore the loan negotiation papers are signed by the CORFINA executives and the Banco Exterior of Spain, without any legal participation by the Guatemalan Government," Sosa emphasized.

The cellulose factory was legally intervened by CORFINA on 7 May after the factory was sued in court, which ruled that property worth $160 million be seized. Minister Sosa said that the Cerezo government plans to start operating the cellulose factory, "but it needs a financing of $200 million." He emphasized that in order for CORFINA to pay back the debt it has with the Banco Exterior of Spain "the project must be developed so it will become profitable.

HONDURAS

TRADE AGREEMENT WITH USSR READY FOR SIGNING

PA210418 Tegucigalpa EL HERALDO in Spanish 20 May 87 p 35

[Text] Economy and Commerce Minister Reginaldo Panting said yesterday that the draft of the agreement to be signed by Honduras and the Soviet Union to begin their trade relations is ready for signing.

The official said this is the document Honduras will submit to the USSR for review and the only thing that remains to be done is for Yuriy Vislousov, Soviet representative for Central America and the Caribbean, to send his preliminary agreement in order to proceed to the signing. [sentence as published]

Panting pointed out that Honduras is interested in buying fertilizers because it does not produce them. Purchases of machinery will be negotiated later on.

He noted that any equipment purchases must be discussed with the Communications, Public Works, and Transport Ministry or the entity wishing to make the purchase.

Panting said the Soviet Union wishes to import coffee, sugar, and bananas. He added that the contract for the purchase of coffee may be for 5 years.

We have already talked with the coffee exporters about this contract and they are very much interested, said the minister. It must be remembered that if the International Coffee Organization resumes the allocation of import quotas in the future this would give us an immediate outlet for our product.

Panting did not say how much coffee would be exported but noted that countries like Russia consume large amounts of this product. He added that during his recent visit, Vislousov told him that coffee consumption is increasing in the Soviet Union from year to year.

In addition, the economy minister said efforts will be made for the trade to be conducted in dollars but this will not be obligatory because it may suit us sometimes to trade under the barter system.

FOREIGN MINISTRY COMMUNIQUE ON ILLEGAL IMMIGRANTS

PA210330 Tegucigalpa EL HERALDO in Spanish 20 May 87 p 3

[Foreign Ministry Information and Press Office communique issued 19 May 1987 in Tegucigalpa]

[Text] The Simpson-Rodino Law went into effect in the United States recently. While this law will permit many people to legalize their stay in that country, it will also result in the departure of other immigrants who cannot qualify for permanent residence.

Although the Honduran Foreign Ministry has already referred to the problems Honduran illegals in the United States might have to confront, this ministry wants to reiterate some points.

1. There is no way to get preferential treatment. The law applies equally to all.

2. It is impossible to calculate the number of Hondurans living in the United States illegally, but it has been estimated that this number cannot be high because many of them now have residence permits. There are far fewer Hondurans in the United States than people from other countries.

3. Honduran consulates cannot intercede for those nationals who have been detained for living in the United States illegally. Honduran consulates can only expedite the procedure for return to Honduras after they have been advised by U.S. immigration authorities that a Honduran citizen is being deported.

4. The U.S. Government defrays the deportation expenses. If a Honduran wants to leave the United States but has no money for his ticket, the Honduran Government cannot assist him.

5. At the time the Simpson-Rodino Law went into effect, the Honduran Foreign Ministry instructed Honduran consulates in the United States to assist those Hondurans to whom this law applies by orienting them and giving them any documents required. In addition, Honduran consulates were told to issue temporary passports -- once proof of Honduran nationality has been produced -- to those Honduran nationals who must return to this country because they failed to meet the Simpson-Rodino Law requirements.

Tegucigalpa, 19 May 1987.

[Signed] Information and Press Office of the Foreign Ministry.

NATIONAL PARTY LEADER DISCUSSES GENERAL POLICY

PA091455 Tegucigalpa Voz de Honduras Network in Spanish 1130 GMT 7 May 87

[Telephone statement by Leonardo Callejas, president of the Central Committee of the National Party of Honduras; no date or place given -- recorded]

[Text] Good morning, (Rene Cochea), good morning, Raul Valladares, HRN [Voz de Honduras Network] listeners. I have been very pleased and I congratulate HRN and Raul Valladares for this mornings' editorial. During our overwhelmingly successful convention is San Pedro Sula in the first days of February, we established a new political position which came about as a result of the analyses made by the National Party of Honduras. This policy established the urgent necessity that Honduras seek -- especially as regards foreign policy and our neighboring countries Nicaragua and El Salvador -- a national policy based on national consensus. On 1 May, CGT [General Central Organization of Workers] Assistant Secretary General Oscar Escalante, and CGT President and Secretary General Marco Tulio Cruz now, for HRN, we desire to reiterate our position and express an identical opinion. [sentence as heard] We want to reiterate our position on the country's need -- especially under nonpolitical circumstances and due to the domestic difficulty of defining the foreign policy of our ally, the United States, toward the Central American region -- for the domestic national front to have common objectives, and if not the power of decision, at least participation and knowledge of our country's short-medium-and long-term foreign policy. It is necessary to review the various opinions to determine all possible options in case of changes in the U.S. foreign policy in regard to Nicaragua. This is because Nicaragua's attitude keeps us confused as regards the final result of a process geared toward the Central American region. As I said, Honduras must become stronger, not weaker; it must create unity, instead of having diverse opinions that contribute nothing to the welfare of the people.

We are deeply concerned about the consequences of radical changes in U.S. foreign policy. This could bring about very negative effects for our country. We do not believe this could happen this year or next; what we will probably have is a medium-term definition in U.S. foreign policy that will stablize the region.

However, we cannot count on this extraneous factor in which we have no part, to give our country a positive outlook. For this reason, today more than ever, at a time when there may be presidential summit meetings -- when the president of the Republic, on behalf of our country, will probably attend political meetings with the other chiefs of the Central American region -- it is imperative he knows a policy of national unity can be achieved. That nothing can stop it because the workers, because the most important party of the country, the National Party, because other sectors of public opinion, are willing to build the bridges of mutual understanding and dialogue that may be needed so Honduran foreign policy will not be a solitary policy, but a policy of national unity that will give us the strength needed to confront the great problems of this nation.

In this respect, I reaffirm what we said at our party's convention, that we are willing to support a foreign policy of consensus but at the same time it must be understood we are not extending a blank check. We want to be able to express our agreement or disagreement and we feel this is a timely moment to implement a policy that would bring highly positive results for our country.

I congratulate you, and I am thankful for the opportunity to take part in this "Morning Dialogue" program because we feel one of the best contributions we can make to the Honduran people is to demonstrate that from the external [as heard] we can go to domestic unity as regards Honduran sovereignty and interests.

CENTRAL BANK ON ECONOMIC RECOVERY, DEFICIT

PA150229 San Pedro Sula TIEMPO in Spanish 14 May 87 p 5

["Press communique" issued by the Press Secretariat of the Presidency -- dated Tegucigalpa, 13 May]

[Text] A report by the Honduran Central Bank has stated that improvements in various economic indicators have reduced the economic deterioraton foreseen for 1987.

The banking authorities said if that trend continues, the national economy will improve.

Those considerations are based on the dynamic actions of some industrial sectors, the maintenance of a less than 4-percent inflation rate, the increase in fiscal income, the increase in private savings, the reactivation of the import sector, the increase in the amount of domestic cash, and the strengthening of the foreign reserves.

The Central Bank points out that the strengthening of the foreign reserves has occurred despite the fact that the economic support given by the AID during the first 3 months of 1987 was $13.8 million less than the allocation earmarked for the same period last year.

However, "the Honduran economic and financial evolution" for the first 3 months of 1987 indicates that "despite the improvement in income, the increase in government expenses as well as a reactivation in investment expenses have resulted in an increase of the fiscal deficit."

The report also states that if that situation continues, the achievements realized through other economic sectors could be affected.

The report adds: "It is important to state that a decline in exports had been foreseen for 1987 in view of the drop in coffee prices and the closing of mining and metal activities.

"However, overall exports remain relatively stable primarily because of the increase in banana prices, better export levels for this product, the increase in lumber sales, an increase in the volume of coffee exports and of other nontraditional products.

"Except for coffee exports, all other exports have increased 9 percent; in comparison, during the first 3 months of 1986 they dropped 17 percent.

"According to the report, Honduras is continuing to meet its financial obligations. In fact, only to the IMF have we paid approximately $20 million for debts contracted between 1979-1983. In addition, we have paid approximately $60 million in debts during 1987.

Although several promising results have been observed in the fiscal sector, such as the increase in fiscal incomes and the reactivation of government investments, the increase in operational expenses and the debt service is substantially greater than the fiscal income increase. This is resulting in an upward trend in the fiscal deficit."

The financial outlook shows some favorable conditions, for example, the increase in the net foreign reserves level by approximately 70 million lempiras, and the remarkable increase in the amount of private savings in various banks, especially through the issuing of cashier certificates and bonds, the latter recently authorized by the Central Bank to promote the financing of medium and long-term productive investments." [quotation marks as published]

Tegucigalpa, 13 May 1987.

Honduran Presidency Press Secretariat.

SOVIET SHIP LOADS SUGAR IN ATLANTIC PORT

PA200109 San Pedro Sula TIEMPO in Spanish 19 May 87 p 5

[Text] Puerto Cortes -- The Soviet ship Mezhgorie docked at a National Port Enterprise pier at 0700 on Saturday, 16 May. It will remain at the pier for the next 5 days to load 15,423 tons of Honduran sugar.

The Soviet ship is docked at Pier No 4-east, where workers of the shipping company Terminales de Cortes are loading the sugar.

The 15,423 tons of Honduran sugar that are being loaded onto the Mezhgorie come from the Yojoa, Chumbagua, and CAHSA [Honduran Sugar Company; Compania Azucarera Hondurena] sugar mills.

As is customary when a Soviet ship docks, armed Atlantic Naval Squadron personnel are patrolling the area to prevent the crew from leaving the ship, because the USSR does not have commercial relations with Honduras. [sentence as published]

The Mezhgorie is the second Soviet ship to dock in Honduras in less than a month.

NICARAGUA

SOCIAL CHRISTIAN PARTY LEADER ON OPPOSITION GOALS

PA201226 Madrid EFE in Spanish 2349 GMT 19 May 87

[Text] San Jose, 19 May (EFE) -- Azucena Ferrey, member of the Nicaraguan Social Christian Party and the directorate of the Nicaraguan Resistance, the recently formed organization that opposes the Managua government, has said the Sandinist Front "only wants to continue repressing the opposition."

During a stopover in Costa Rica after she attended a meeting of the contras in Miami between 2 and 11 May, the opposition leader expressed her determination not to return to her country if she does not get political guarantees.

In an interview with EFE, Ferrey underlined the anti-Sandinist opposition's willingness to seek political and peaceful solutions between the conflicting powers "because we think this is the civilized way to solve problems between human beings." She added, however; "The Sandinists are not willing to have a dialogue. They use this idea of a dialogue as a means to win time to strengthen themselves in power." The contra leader said she had confirmed "the Sandinist regime's failure to fulfill their pledges." She added that this has been demonstrated by their unfulfillment of the points they pledged to fulfill at the OAS in 1979.

On domestic issues, Ferrey referred to the dialogue the Managua government held with the Church for the past 7 years. Despite the talks, the members of the church "have continued to be persecuted, disparaged, outraged, and expelled from the country." She also said: "Despite such negative signs," the Nicaraguan Resistance directorate has continued to regard as its first "political objective a democratization process," provided the Sandinists show they are truly willing to make good their word. Ferrey referred to the Contadora Group's (Colombia, Mexico, Panama, and Venezuela) "inability" to stop the civil war in Nicaragua. She also mentioned the opportunity the group has given to the Sandinist Front to consolidate power while negotiations are being held.

Regarding Costa Rican President Oscar Arias' peace plan, she said "it is more constructive than Contadora" because besides including the pacification group's proposals, it also contains a schedule and precise dates for their execution. Ferrey said she has accepted an invitation from others "to work in a new field of struggle." She did not disclose the contents of this plan, but described it as "the last stage in the struggle against the Sandinist Front's dictatorship."

According to the Social Christian leader, the Nicaraguan Resistance's formation is evidence of "the Nicaraguan people's ability and determination to struggle for freedom and democracy." For the first time, the board of directors of the new contra organization, which was elected on 13 May in Miami, includes leaders of he most varied trends in the Nicaraguan opposition. In it, Ferrey represents the Christian Democratic [as received] group. With the creation of the Nicaraguan Resistance, the Nicaraguan Opposition Unity (UNO) and FDN have ceased to exist.

LIBERAL PARTY LEADER ON PLURALISM, CIVIL RIGHTS

PA210402 Managua Radio Noticias in Spanish 1200 GMT 19 May 87

[Statement made by Dr Jorge Ramirez, vice president of the as-yet-unregistered Liberal Party, PALI; date and place not given -- recorded]

[Text] I believe the current national situation has three aspects: the political, the economic, and the social. In the political area, we have to take into account one basic factor, the origin of pluralism. If properly applied, political pluralism would provide a very good solution for the country. Unfortunately, however, political pluralism does not exist. Political pluralism is the source of a country's tranquillity. It implies the integration of all existing political parties and groups, with each having the right to acquire legal status. Legalization would in turn imply that all the parties would make a contribution to the resolution of the nation's problems, the primary problem being to achieve the country's overall development.

In my opinion, the political area has constitutional, administrative, police, and judicial elements. Where the constitutional aspects are concerned, we see that a Constitution has been drafted, but it does not have all the qualities or meet the requirements and conditions that would allow for an effective defense of the rights of the citizen and the state. In all societies [ciudadania], there is an obligation to effect this defense. That is my opinion in the constitutional area.

If we begin analyzing the constitutional aspect's impact on the very life of the human being, the citizen, and on his rights, we see that the Nicaraguan citizen is prevented from exercising his rights, when his right to organize is denied or curtailed. Article 49 establishes the Nicaraguan citizen's right to organize in different groups: as women, men, peasants, professionals, journalists, etc. But what has happened? To date, Article 53 has not yet been published in the official gazette, and that is the article which provides the broadest general freedoms for citizens, to assemble, associate or meet, and to claim in the future the right to form political parties.

RAMIREZ ON CHARGE BORGE SENT COCAINE TO REPORTERS

PA151551 Paris AFP in Spanish 0609 GMT 14 May 87

[Text] Mexico City, 13 May (AFP) -- The report that Nicaraguan Interior Minister Tomas Borge allegedly sent cocaine to two U.S. newsmen who live in Costa Rica is such "a gross trick" that "it really makes me laugh," Vice President Sergio Ramirez said today in Mexico City.

Ramirez dismissed as unimportant the report from San Jose which stated that Costa Rican antinarcotic agents confiscated a parcel that had been sent from Managua to reporters Tony Avirgan and Martha Honey containing cocaine and a letter allegedly written by Borge.

"The truth is that this really makes me laugh." It reveals "the little imagination (the authors had) in preparing such a gross trick," the Nicaraguan vice president said. Ramirez arrived in Mexico on Monday without the press learning about his trip. "What a coincidence," he added, "that two newsmen who are investigating the La Penca attack are involved in this report." The La Penca attack occurred 2 years ago on the Nicaraguan-Costa Rican border during a news conference granted by former guerrilla commander Eden Pastora. According to the conclusions reached by reporters Avirgan and Honey, and by Pastora himself, the attempt, in which two reporters were killed, was planned by sectors linked to the Nicaraguan counterrevolution and the Central Intelligence Agency (CIA). Ramirez emphasized: "Frankly, I do not think the Costa Rican Government is involved in the plot. What happened is that U.S. intelligence agencies used minor Costa Rican officials."

The vice president asserted during a news conference that his visit to Mexico was private, adding that the had met with Mexican President Miguel de la Madrid to exchange viewpoints on Central America, the Contadora Group's peace efforts, and the upcoming Esquipulas (Guatemala) presidential summit in June.

Referring to Costa Rica, Ramirez said the current presidents' administration differs from his predecessor's because "Arias has exerted himself to maintain a different position, even though U.S. pressure is strong."

According to the Nicaraguan vice president, the peace plan proposed by the Costa Rican president reflects an attitude of good will, and "Nicaragua is willing to overcome any obstacle" that might exist between the two countries. He added: The Nicaraguan Government hopes the Esquipulas meeting "may lead to two or three specific steps toward (regional) peace instead of a simple declaration" that does not include specific measures.

GOLD MINING TO EXPAND TO INCREASE FOREIGN EXCHANGE

PA140301 Managua EL NUEVO DIARIO in Spanish 12 May 87 p 6

[Excerpts] In order to increase its foreign exchange income through gold sales, Nicaragua has decided to expand its gold mining activities by as much as 100 percent. This will make it possible to reach a production of 39,600 troy ounces of gold in 1987.

The processing plant of the Francisco Meza Rojas mine in Leon -- formerly El Limon -- was expanded by as much as 50 percent. La Libertad mine in Chontales has been expanded 100 percent; and the mine in Siuna will have three new electric plants, which will permit national production to be expanded by up to 25 percent this year. This means $6 million more than in 1986.

Alfonso Perez, planning director of the Nicaraguan Institute of Mines and Hydrocarbons, said one of the biggest problems faced by the mines is the lack of spare parts and qualified labor, particularly on the Atlantic, where environmental conditions are not adequate. The problem is worsened by the movements of the Miskito population from one place to the other in the region, but particularly by the lack of mining engineers, metallurgists, geologists, mining technicians, and mechanics. [passage omitted]

Of the mining enterprises, the Francisco Meza Rojas mine is at the vanguard. It accounts for 69 percent of the national production because it has been expanded and has no labor problems.

During the first quarter of 1987, production reached over 7,200 troy ounces of gold. The Francisco Meza mine produced 5,024 ounces; Bonanza 1,704 ounces, and La Libertad reached 532 ounces. The Siuna mine will not be reactivated until July, when it will have the three new electric plants. [passage omitted]

Disease like tuberculosis and silicosis have been greatly reduced with help from the Czechoslovak Government, particularly through the training of medical personnel who provide care for the workers.

Other friendly countries which are cooperating in the mine development projects are Bulgaria, the Soviet Union, and Sweden. They provide long-term credits, donations, and training courses in various fields. [passage omitted]

SOVIET DELEGATION VISITS SUGAR COMPLEX

PA161437 Managua BARRICADA in Spanish 14 May 87 p 5

[Text] For the second consecutive day, the Soviet delegation of the [USSR-Nicaragua] Permanent Working Committee for Agriculture has visited the Victoria de Julio Agro-industrial Complex. It was briefed on the progress made in the first phase of the master irrigation program, which is promoted by the revolutionary government.

Gennadiy Romanenko, head of the delegation, and Commander Jaime Wheelock toured the installations of the sugar complex, which opened in 1983 and is considered the most modern in Latin America.

Wheelock explained to the Soviet representative that the Victoria de Julio consists of 20,000 manzanas of sugarcane and 7,000 of forest. He added that this integrated project hopes to finalize an energy program that will ensure self-supply and will service neighboring communities.

Once finalized, Wheelock pointed out, the alcohol project will produce 120,000 liters per day for various areas of the industrial sector. He said they are in the process of acquiring the machinery and this plan runs parallel with the sugar mill, because its installations have the same objective.

The gigantic enterprise of the revolution will produce 2.5 million quintals of sugar during its initial phase. It is currently yielding 225 pounds per ton, the highest in the country.

The group, after having embarked on an intense tour of the sugar fields, observed the progress made by the magistral canal that feeds the dam and the conclusion of the joint project, which is capable of irrigating 60 percent of the sugar fields.

The Soviet delegate was impressed by the Las Canoas Dam, which was built by the revolution and the people, who are fighting for economic survival, and to obtain food amid a war.

The magistral canal, which will irrigate 70 percent of the crops, is capable of transporting 60 million cubic meters of water in only 4 days. Commander Wheelock noted that this completes the plan to transform the agrarian project for the Managua region.

In the afternoon, Romanenko and members of the working committee learned about the progress made within the study of the master irrigation program in its initial phase. Eduardo Jerez, director of the study, explained that this project will irrigate 36,000 hectares and will benefit capital city residents who are currently facing serious problems with the water supply.

Meanwhile, Miguel Gomez, director of MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform] in Region 4, briefly described the characteristics of the area by pointing out its coffee production and production share at the national level.

Finally, the group sailed the waters of the great lake and confirmed its natural wealth and the Nicaraguans desire to maximize its benefits for the sake of society.

U.S. ENVOY RENEWS 'ATTACKS' AGAINST CUBA IN UN

PA202000 Havana International Service in Spanish 1600 GMT 20 May 87

[Text] Taking advantage of a meeting of the UN Economic and Social Council, U.S. Ambassador Patricia Byrne tried to renew the U.S. attacks against Cuba regarding alleged human rights violations in the Caribbean country. Those maneuvers form part of a campaign against our country begun during the 41st session of the UN General Assembly.

The U.S. delegate devoted part of her speech before the UN Economic and Social Council to recall the U.S. proposals in the 43d session of the Human Rights Commission held in February in Geneva. However, Byrne did not mention the defeat suffered on that occasion when a draft resolution on alleged Cuban human rights violations was rejected after the United States tried to introduce it in the debates.

Latin American diplomatic sources have told PRENSA LATINA that the speech by the White House representative forms part of a tendentious campaign of disinformation aimed at the international community. This campaign is connected with the political pressures to break the will of the small countries that are UN members.

HUNGARY SIGNS RADIO-TV COOPERATION PROTOCOL

FL202224 Havana Radio Reloj Network in Spanish 1934 GMT 20 May 87

[By Juan Emilio Frigols]

[Text] This afternoon at the Palace of Conventions, a ceremony was held to sign a radio broadcasting cooperation protocol between our country and the Hungarian People's Republic. Comrade Luis Millarez, vice president of the ICRT [Cuban Institute of Radio and Television], signed the document on behalf of Cuba. Tibor Rittor, deputy director of radio broadcasting, signed on behalf of Hungary.

The two officials said the protocol marks the extensive and lengthy relations between Cuba and Hungary in the scientific-technical area and in the cultural sphere as provided for in the general bilateral agreement.

Ritter said signing the protocol was a noteworthy way for his delegation to mark the 25th anniversary of the ICRT's productive task.

RISQUET ARRIVES IN UGANDA ON OFFICIAL VISIT

FL201829 Havana Radio Progreso Network in Spanish 1100 GMT 20 May 87

[Text] Jorge Risquet Valdes, member of the Communist Party of Cuba Politburo, has arrived in Kampala, Uganda, for an official visit.

ARCE CONFIRMS NICARAGUAN PEACE PROPOSAL

PA152248 Havana International Service in Spanish 2300 GMT 14 May 87

[Text] Bayardo Arce, coordinator of the FSLN Political Commission, has reaffirmed Nicaragua will make new efforts to achieve peace in Central America at the forthcoming regional president's summit to be held in Esquipulas, Guatemala. During a brief technical stopover in Panama City, Arce stated that at the Esquipulas meeting in June, Nicaragua will present a 9-point proposal that will include a nonaggression pact with the United States and an overall disarmament agreement.

Arce added that the Nicaraguan Government is willing to withdraw the charges filed against Honduras and Costa Rica at the International Court of Justice in The Hague, as another effort to achieve peace. He said that both those countries allow the contras to use their territory to attack Nicaragua.

The Nicaraguan commander also noted that each time a possibility to achieve a peaceful settlement in Central America arises, the U.S. Government sends its agents to tour the region. Afterwards, a shift in position of the countries in the region is usually noted, he added. Arce also stated that Washington expects the counterrevolution, financed and armed by the United States, to further its plan to invade Nicaragua directly. On this subject, the Nicaraguan leader said the contras do not have a military future, as can be seen from their latest defeats.

SALVADORAN POLITICAL PRISONERS DEMAND AMNESTY

PA190430 Havana International Service in Spanish 2300 GMT 18 May 87

[Commentary by Doris Hernandez]

[Text] The partial amnesty that Salvadoran President Jose Napoleon Duarte has offered has been strongly refused by Salvadoran political prisoners who seized control of a prison and demanded total amnesty. The incident occurred at the Mariona penitentiary, which holds 800 men charged with actions against state security. The demand for an amnesty for all political prisoners began in February, when the state of siege and other special laws went out of force in this, the smallest Central American country.

Leaders of the political prisoners have pointed out because the state of siege and other measures are no longer in force, the magistrates are incurring legal liability by continuing to keep them detained. Jorge Ernesto Cruz, one of the three military judges in charge of trying the detained for crimes against state security, said at the beginning of the year there are 1,800 political prisoners in the nation. Judge Cruz said this when he discussed the state of siege that had been in force during 6 years and 10 months. This state of siege was suspended because of internal contradictions in the legislative assembly. The exceptional measure disappeared legally when on 16 January a parliamentarians' strike prevented its ratification because two-thirds of the required number of votes was not cast.

Nevertheless, the military judge ruled that all those charged with crimes committed during the time that the stage of siege was in force would be turned over to military courts. The Salvadoran Human Rights Commission criticized the amnesty bill that Duarte introduced at the legislative assembly recently. According to the organization, this plan does not solve the problem of political persecution and it is illegal because, once the stage of siege has been revoked, no existing law justifies the detention of those charged with political activities.

Finally, the commission said: As long as there is no peace, as long as war is not concluded by political means, any partial amnesty proposal will not satisfy the Salvadoran people.

IMF PROMOTING LATIN AMERICAN 'DENATIONALIZATION'

PA101520 Havana International Service in Spanish 2300 GMT 9 May 87

["Economy News" feature read by Maruja Garcia and Norberto Hernandez]

[Text] The denationalization process is advancing, particularly in Latin America, because it is one of the IMF requirements to refinance the foreign debt of the area countries, which is of about $400 billion. After the eruption of the foreign debt problem, which had strong consequences in countries like Mexico and Brazil -- another one of the gigantic countries of the area -- the idea of privatization as one of the possibilities to triumphantly defeat the crisis became very important to the creditor banks.

Although not referring to the renegotiation of the debt, some things have been done to attain that end. For example, portions of the debt have been sold to multinationals that subsequently charge the debtor countries in goods, furniture, factories, or stores. Of course, all that leads directly to a greater dependency of our peoples on the metropolis to a greater dependency of our peoples on the metropolis and it accelerates the process of economic deterioration by taking capital from the debtors' weak economies.

The IMF demands to privatize state enterprises as a condition to refinancing the Latin American countries' debt has its origins in the failed economic experiment tested in Chile after the overthrow of the people's government of Salvador Allende. Obviously, the explanation given by the western financial organizations hides the truth of the problem and praises only the incentives to private enterprise, the freedom of private initiative, and other alleged advantages, which are symptoms -- they say -- of ample development possibilities.

The IMF issued a report on 16 April in Washington regretting the very little that has been done in regard to the privatization process that it proposed, and it strongly recommended making progress in that regard. The IMF attacks various legal dispositions that ban the sale of shares to foreign investors in several countries.

Denationalization is the first requirement that the IMF imposes before any dialogue on refinancing the Latin American foreign debt can be established, and despite the positions and [words indistinct] definitions, the problem is not getting better. We have to bear in mind Washington is the largest IMF shareholder and therefore the IMF moves are closely linked to the empire's interests.

It is interesting to note, for example, in Venezuela, which is one of the countries that began denationalizing some enterprises, U.S. interests for quite some time have been focused intensely on the bituminous Orinoco River area. It is believed that this area has the largest reserve of heavy and extra heavy crude on the planet, and, therefore, it is particularly coveted by U.S. consortiums, to the point that some analysts have described Venezuela as the possible Latin American Saudi Arabia for the White House, for economic and security reasons.

Although there has been no mention of the transfer of Venezuelan oil assets to foreign capital, monopolies have not lost hope, and through subterfuges they might try to exert growing pressure that in the long run could satisfy their interests.

The truth is the IMF has far-reaching pretensions, ranging from the Venezuelan bituminous strip to the iron mines in the Bolivian Mutum, the Peruvian silver mines, and the incalculable natural resources of the other nations in our region.

MEXICAN POLYTECHNICAL INSTITUTE SIGNS AGREEMENT

FL121432 Havana Radio Progreso Network in Spanish 1100 GMT 12 May 87

[Text] Yesterday, the National Polytechnical Institute of Mexico and the Jose Antonio Echeverria Higher Polytechnical Institute of Cuba signed in Mexico City a technical cooperation agreement. The agreement allows for the exchange of technical and scientific expertise, especially in the areas of general engineering, metallurgy, computerization, electronics, chemistry, (?civil engineering), and other areas.

SALVADORAN WORKERS REPORT 'TERRORISM' PLAN

PA202136 Havana International Service in Spanish 1600 GMT 20 May 87

[Text] Leaders of the National Union of Salvadoran Workers, the main opposition organization, have reported a plan of official terror against union groups in El Salvador. They stated the Army has murdered six cooperative members in the past few months, and arrested six others while three are missing.

Marco Tulio Lima, the top leader of that Salvadoran opposition organization, said the terrorist plan has the objective of intimidating and dissolving the union organization.

LENIN CASING FACTORY RESUMES OPERATIONS

FL201551 Havana Tele-Rebelde Network in Spanish 1100 GMT 20 May 87

[Text] Pedro Miret Prieto, member of the Communist Party of Cuba [PCC] Politburo, and Jaime Crombet, secretary of the PCC Central Committee, attended the reopening of the Vladimir Ilich Lenin Aluminum Casing Factory which was seriously damaged after its over exploded on 12 May.

After a week of hard work, the 250 factory workers resumed production yesterday and they said that they will do their best to recover the days lost and meet their yearly production goal which is 3,000 tons of aluminum casings and pipes. Many brigades from the Ministry of the Steelworking Industry and other organizations participated in repairing the damage caused by the explosion of the oven. The repairs were also aimed at improving the factory's technical and working conditions.

YOUTH EDUCATION IMPORTANT IN SOCIALIST SOCIETY

FL140108 Havana Radio Periodico del Aire in Spanish 2130 GMT 14 May 87

[Commentary by Yolanda Fuentes]

[Text] The integral upbringing of a child or young person in a socialist society has been a basic concern of the revolutionary state. In order to carry out these objectives, this governing organ has set up various legal bodies offer adequate tutelage for the normal development of child and youth. That is why the child and youth code, penal and family codes, and Decree Law 64 of 1982 concern themselves with this aspect. The objective of communist education for the new generations is to create men and women who are completely developed and can live in the new society and participate in its construction and subsequent progress.

Hence, on 4 August 1978, the child youth code took effect in our country. It states the most representative qualities of the new generations should be a love for study and work, the practice of culture and sports, a revolutionary spirit, love and respect for homeland, loyalty to the principle of proletarian internationalism, and love for truth and justice, among other things.

It is important for young people to know they must reject any manifestation of delinquent, antisocial, or diversionist behavior, as well as fight concepts and attitudes of the old society. They must also respect the rights of others and fulfill the social obligations decreed by the Constitution and the law.

Various factors are involved in the education of young people. First of all, the family, which has a very big responsibility in the upbringing of children and young people; the national education system; and the social, political, and mass organizations to which children and young people, as well as relatives, neighbors, and friends belong. Everyone must cooperate in making a healthy and happy childhood possible.

GRENADA

CDB PRESIDENT COMMENTS ON CARIBBEAN BASIN PLAN

FL201504 Bridgetown CANA in English 1910 GMT 16 May 87

[Text] St George's, Grenada, May 16, CANA -- President of the Caribbean Development Bank (CBI) William Demas says Washington's Caribbean Basin Initiative (CBI) has not yet brought tangible benefits to the region. I don't see any tangible evidence of any large increase in exports of agriculture, and manufacturing products under the CBI, he told reporters here. But Demas quickly added that the time since CBI was established in 1984 had not been wasted because the groundwork has been laid for the region to eventually benefit. I suppose the businessmen are getting familiar with the requirements of the U.S. market. It's a very exacting market, he said. Demas pointed to the Lome Convention which has given Caribbean countries free access to the European Community since 1975 but which the region has failed to take full advantage of.

From the very beginning, I have warned about any expectations under the CBI because I was fully aware of the inability of our countries in Caricom to take advantage of the EEC market under the Lome Convention. So I am surprised that it has taken a very long time for real tangible benefits to come from the CBI or from Caribcan, the Canadian scheme for free entry of Caricom products. It takes time, he added.

Under the CBI, a host of products made in the Caribbean and Central America are allowed duty free access to the United States until 1996. According to Demas, the region has been slow in taking advantage of the CBI primarily because we are an under-developed country.

JAMAICA

SEAGA ANNOUNCES OPENING OF LABOR PARTY CAMPAIGN

FL201321 Bonaire Trans World Radio in English 1130 GMT 20 May 87

[Text] Jamaican Prime Minister Edward Seaga said that the ruling Jamaica Labour Party [JLP] will begin its campaign for the next election this Friday, but he gave no indication whether he will call for voting this year or next. Mr Seaga, speaking Monday night at a dinner to honor a party member, said that the JLP will launch its campaign in Spanish Town, 10 miles west of the capital Kingston. The conservative Seaga, whose domestic policies resemble those of U.S. President Reagan, urged the party faithful to start registering.

TELECOMMUNICATIONS AGREEMENT SIGNED WITH BRITISH

FL201923 Bridgetown CANA in English 1705 GMT 19 May 87

[Text] Kingston, Jamaica, May 19, CANA -- The Jamaican Government and the British firm Cable and Wireless have signed an agreement for partnership in a new holding company that will own the Jamaica Telephone Company (JTC) and the external telecommunications firm JAMINTEL.

Cable and Wireless is converting its 49 percent share in JAMINTEL (Jamaica International Telecommunications Ltd) to equity in Telecommunications of Jamaica Limited and paying the Jamaican Government another US20 million dollars for a 20 percent share in the new company.

The agreement was signed in Kingston yesterday by the Jamaican Prime Minister and Minister of Finance, Edward Seaga, and Cable and Wireless chief executive officer for the region, Tom Chellew. Cable and Wireless operated Jamaica's external telecommunications system until JAMINTEL was established in 1971 with a 51 percent government shareholding. The government also owns about 95 percent of the shares in the telephone company.

The government has said that in due course, all existing shareholders in the telephone company will be offered an opportunity to exchange them for shares in the new holding company.

Seaga said that JAMINTEL and the telephone company would continue to operate as separate entities and that the holding company would make administration on a sectoral basis much easier. It would also allow for easier financing for the expansion of the telecommunications network here, he said.

Chellew said that Cable and Wireless, privatized by the Margaret Thatcher government, welcomed the agreement. There was need for change in the system, he said, and this agreement laid the foundation for it to take place in an orderly fashion.

Telecommunications Jamaica will be among the largest companies here. In 1984/85 JAMINTEL had a turnover of just under J100 million dollars (one J dollar -- 18 U.S. cents) and net profit of J33.9 million dollars. The telephone company in 1984 had a turn-over of J182.48 million dollars and a net profit of J43.6 million dollars.

Recent rate increases for overseas telephone calls should push up revenues for both companies. Under the rate-sharing arrangement, the telephone company gets 60 percent of the cost of an overseas call and JAMINTEL 40 percent.

ST CHRISTOPHER AND NEVIS

1986 ECONOMY DETAILED, ASSESSMENT GIVEN

FL112015 Bridgetown CANA in English 2044 GMT 10 May 87

[Text] Bridgetown, Barbados, May 10, CANA -- Preliminary estimates for 1986 indicate that the economy of St Kitts and Nevis grew by 2.5 per cent to three per cent in 1986, compared with one per cent in 1985. Activity increased in all sectors except non-sugar manufacturing which remained depressed, according to the 1986 annual report of the Caribbean Development Bank.

Despite labour problems and financial difficulties, sugar production increased by 6.1 per cent to 28,490 long tons in 1985/86 and earnings rose from 8.7 million U.S. dollars to 11.8 million dollars.

The National Agricultural Corporation and the St Kitts Sugar Manufacturing Corporation were merged in February 1986, and government assumed the industry's 20.4 million dollar debt with the local banking system so as to improve the industry's financial position.

Arrivals of stopover visitors for the first nine months of 1986 increased by 20.8 per cent to 40,882, compared with the same period in 1985. The industry's buoyancy was due to a number of developments, including the inauguration of direct flights between St Kitts and Nevis and Canada in 1985, the opening of a tourism promotion office in Canada and an all-inclusive package offered by one of the large hotels.

As a result, arrivals from Canada increased by 60.9 percent. Arrivals of cruise ship passengers totalling 17,941 for the first nine months of 1986, compared with 24,201 in the same period in 1985, declined for the second consecutive year, following the loss of the Cunard charters.

Non-sugar manufacturing remained depressed, despite a number of new start-ups and increased investment by existing firms. Two new garment factories began operations in early 1986, employing about 150 people, but they both ceased operations within six months of start-up.

While firms producing mainly for the Caribbean Community (Caricom) Market remain depressed, electronics assembly showed signs of improvement. Indicative of the increased level of activity in the agriculture and tourism sectors, total deposits with commercial banks rose by 15 per cent in the year of September 1986 to reach 101.9 million dollars.

The growth in deposits may also have been influenced by the higher level of personal incomes following the wage increase awarded by government, the CDB said.

Bank lending rose by 12.6 per cent over the year. Lending to the tourism sector jumped from 2.6 million dollars in September 1985 to 7.4 million in 1986. The retail price index for 12 months to November 1986 showed a minimal inflations rate of 0.5 per cent. The decline in the world market price of oil contributed to a temporary reduction in electricity tariffs and resulted in the 5.7 per cent decline in fuel and light prices.

Central government operations improved during 1986. Preliminary data show that the trend to deficit on the recurrent account was reversed in 1986 with central government realizing savings of 0.3 million dollars.

Recurrent revenue rose from 18.2 million to 21.9 million between 1985 and 1986, reflecting the generally higher level of economic activity and the 20-25 per cent average wage increase awarded to civil servants in January 1986. Collections were also boosted by a number of new measures, foremost among which were the four per cent social services levy and the two per cent employment protection levy.

The improvement in government savings in 1986 may also be attributed to increased fiscal discipline, the CDB report said. Despite the 25 per cent increase in personal emoluments following the salary increase and the doubling of interest payments on government debt, recurrent expenditure rose only minimally from 21.5 million dollars in 1985 to 21.6 million in 1986.

Public sector capital expenditure also fell in 1986 and the overall deficit declined from 3.6 million to 1.6 million. This deficit has been sustained primarily by increasingly higher levels of borrowing from commercial banks. With government domestic borrowing rising more rapidly than its foreign borrowing over the last two years, its domestic debt accounted for 43.3 percent of total debt in 1986, compared with 32.7 per cent in 1985. Economic growth is projected to continue in St Kitts and Nevis over the medium term, with the tourism sector showing most dynamism. Major hotels are expected to continue their expansion programmes as demand for accommodation expands so as to be able to take advantage of recent government policy which allows hotels with a minimum of 250-rooms duty-free imports of all tourism related equipment and materials that cannot be purchased locally.

Growth in the agriculture sector is also projected to improve in response to initiatives to rehabilitate sugar and diversify into non-sugar agriculture. However, the recently announced 41 per cent reduction in U.S. sugar imports has reduced the St Kitts quota to 10,500 tons for 1987 and will result in an estimated 0.4 million dollars loss in earnings. Public sector operations should improve in 1987 and 1988, provided that revenue collections systems are improved, fiscal discipline maintained, and the civil service restructured to improve efficiency, the CDB said.

ST VINCENT AND THE GRENADINES

GOVERNMENT RADIO STATION STAFF STAGES 'SICK-OUT'

FL201906 Bridgetown CANA in English 2209 GMT 19 May 87

[Text] Kingstown, St Vincent, May 19, CANA -- Seven staff members of the state-owned radio station today staged a sick-out believed to be in protest against recent directives on news reporting by new Information Minister Parnel Campbell. The station's regular sports bulletin at 7.15 A.M. and its first newscast at 7.30 A.M. were not broadcast today, and two members of the Government Information Service (GIS) together with the lone news staffer who reported to work prepared the major 12.30 P.M. news bulletin which was read by a government information officer.

Acting Managing Director of the National Broadcasting Corporation (NBC) Hermus Liverpool has confirmed that the progamme director, the news editor and five members of the newsroom staff had submitted certificates for sick leave ranging from four to seven days. Liverpool said while he could not say for sure that the sick-out was connected to the directives from the information minister, the action came only days after the news department, and other members of staff, had written to the board protesting the directives. Liverpool said the board of the NBC met in emergency session today and made arrangements for three members of the Government Information Service (GIS) to be seconded to the radio station until the end of the month. The directive insists that government releases be carried in full and that opposition stories be approved by the manager.

VII.	WESTERN EUROPE DAILY REPORT	Contents unchanged
VIII.	SUB-SAHARAN AFRICA DAILY REPORT	Renamed; formerly SOUTH ASIA DAILY REPORT; contents include: International Affairs Inter-African Affairs Central Africa Burundi Cameroon Central African Republic Congo Equatorial Guinea Gabon Rwanda Sao Tome & Principe Zaire East Africa Djibouti Ethiopia Kenya Somalia Tanzania Uganda Indian Ocean Comoros Madagascar Mauritius Seychelles Southern Africa Angola Botswana Lesotho Malawi Mozambique Namibia Republic of South Africa Reunion Swaziland Zambia Zimbabwe Western Africa Benin Burkina Faso Cape Verde Islands The Gambia Ghana Guinea Guinea-Bissau Ivory Coast Liberia Mali Niger Nigeria Senegal Sierra Leone Togo

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